Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper ** London, Thursday, January 9, 1997 No. 35,414

TODAY: LEADER SCIENCE

Malaria: A Losing Battle

Deaths Escalate With Third World Poverty

By Nicholas D. Kristof
New York Times Service

MWANABWITO, Tanzania — Her face was calm and soothing, but Mariam Karega's eyes brimmed with fear as she cradled 15-month-old Hussein and nursed him, trying to pump life into him along with her milk.

"I'm losing hope," Mrs. Karega said, her aching eyes radiating the terror of any parent holding a dying child. "He's tiny and he's stopped growing. And although he'd started to walk, now he can't anymore. I don't think he'll make it."

In this village of thatched mud huts in rural Tanzania, in East Africa, the trauma of losing a child is almost as common as a scraped knee. The children are dying of mosquito bites.

In 1996 alone, between 1 million and 3 million people died of malaria, the mosquito-borne disease that has struck the children in the village. Most alarming is that the malaria is becoming resistant to medications and is expanding into new areas and killing many more people than it did a few decades ago.

For these reasons, the World Health Organization recently declared that "public health enemy No.1" is the mosquito.

The extraordinary thing about the mosquito is that in the current battle against the best minds of 20th-century science and medicine, it may be winning.

First of two articles

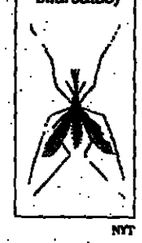
In the 1950s, DDT and other insecticides led to a sharp reduction of mosquitoes and of the disease. But the use of the chemicals was sharply curtailed because of their dreadful environmental effects. Partly as a result, malaria began a long upswing around the world in the 1960s and 1970s.

"As a single disease, malaria has a bigger impact on the world than anything you can think of," said Dr. Kazem Behbehani, director of the division for control of tropical diseases at the World Health Organization in Geneva. "And it's spreading."

Between 300 million and 500 million people now get malaria each year, and someone dies of it about every 15 seconds — mostly children and pregnant women. Over the last decade, malaria has killed about 10 times as many children as all wars combined have in that period.

Doctors say that the children can usu-

Malaria Mosquito (*Anopheles bifurcatus*)



NYT

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Nicholas D. Kristof/The New York Times

Mariam Karega nursing her son, who is dying of malaria, in a village in Tanzania.

Pneumonia Detected as Yeltsin Goes To Hospital

Latest Illness Casts Shadow on Hopes for Vigorous Leadership

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin was sent to the Central Clinical Hospital in Moscow on Wednesday night after doctors said they found "the first signs" that he had pneumonia, eight weeks after he underwent a heart bypass operation.

The Kremlin, in a statement, did not provide details about what kind of pneumonia had been detected or how serious Mr. Yeltsin's doctors regarded the development. Pneumonia is a term applied to any one of about 50 distinct inflammatory diseases of the lung.

The statement said that Mr. Yeltsin's doctors decided to send him to the hospital after an evening examination. Hospitalization was necessary, the statement said, "for a more precise definition of his diagnosis and carrying out the corresponding treatment."

For most of the last 18 months, Mr. Yeltsin has been in and out of hospitals because of a serious heart condition that led to quintuple bypass surgery Nov. 5. During that time, Mr. Yeltsin won reelection, but otherwise his rule has been characterized by drift and paralysis, partly because of his long absences. If he is seriously ill or hospitalized for a long period, it would again short-circuit hopes of his allies and many reformers that he could return to vigorous leadership.

On Monday, Mr. Yeltsin, 65, cut short his schedule because of what Kremlin officials described as a bad cold. His spokesman, Sergei Yastrzhembsky, said that Mr. Yeltsin was "bound to return to normal" by the end of the week. He said Mr. Yeltsin had a fever and had retreated to a country residence outside Moscow.

Mr. Yastrzhembsky also said then that Mr. Yeltsin was suffering from the flu. "A wave of flu that descended on Moscow has not spared the president's family," he said. "Many in the president's family either have suffered from it, or have the flu now."

On Tuesday, which was Russian Orthodox Christmas, the Kremlin press

See YELTSIN, Page 6

Rumor Mill On Deng Shifts Again To High Gear

By Seth Faison
New York Times Service

SHANGHAI — Each night this week, China's central television station is devoting an hour of its prime-time broadcast to a documentary on the life of Deng Xiaoping, the nation's paramount leader for nearly 20 years.

Part history, part hero worship, the broadcasts offer the kind of glowing idolization of Mr. Deng that he never permitted while he was actively in power, and is closer to something that his predecessor, Mao Zedong, a man of more charisma and megalomania, might have encouraged.

Now 92, Mr. Deng is frail and infirm. He lives quietly at home in central Beijing. And the fact that the documentary is being shown, summing up Mr. Deng's life and achievement in a conclusive way, is another sign that his days are near an end.

Details of Mr. Deng's condition are kept secret by the authorities, so it is difficult to verify or disprove periodic rumors that he has fallen seriously ill or is close to death. He last appeared in public three years ago, and he was doddering and barely able to walk.

Last week, a newspaper in Hong Kong reported that Mr. Deng had been taken to a military hospital in Beijing and was in serious condition.

As with dozens of similar reports over the past decade, it was hard to know if any truth was involved or if it was a rumor spread by someone trying to affect prices on the Hong Kong stock exchange.

A spokesman for the Chinese Foreign Ministry, Shen Guofang, said Tuesday at a briefing in Beijing that the report was untrue and that Mr. Deng's condition had not changed.

"For an old man, he is doing relatively well," said Mr. Shen, repeating the words other spokesmen have used to describe Mr. Deng's condition in the past two years.

See DENG, Page 6

Albright Outlines Aggressive Agenda for U.S.

By Brian Knowlton
International Herald Tribune

WASHINGTON — Madeleine Albright, the secretary of state-designate, laid out a vision of a direct, engaged and activist diplomacy on Wednesday before the Senate panel that is considering her confirmation.

"I can assure you that I'm going to tell it like it is and explain why it is that we need to be engaged," she told the Senate Foreign Relations Committee.

She listed NATO expansion, the maintenance of a strong relationship with Europe, the vigorous pursuit of peace in the Middle East and the building of a strong relationship with China as her priorities.

The remarkably warm reception offered President Bill Clinton's nominee by the Republican-led committee appeared to ensure an easy confirmation for Mrs. Albright.

The secretary-designate's record shows a concern for human rights. Page 3.

Beginning with the panel's Republican chairman, Senator Jesse Helms of North Carolina, virtually every committee member offered words of praise and at least tentative support. Mr. Helms promised that the hearing would be expeditious, and there seemed little doubt that the full Senate would ratify the panel's recommendation.

Many committee members referred with admiration to the personal journey that took Mrs. Albright from childhood in a Czechoslovakia under first the Nazis and then the Communists, to the verge of

See ALBRIGHT, Page 3

Restored to Power, Gingrich Is 'a Hero No More'

By R.W. Apple Jr.
New York Times Service

WASHINGTON — They gave Newt Gingrich the benefit of the doubt. They gave him some time. But he neither looked nor sounded like the self-assured revolutionary of old, and few who watched him believe that he will ever again wield the kind of power that he once did.

"A hero no more," one of Representative Gingrich's party colleagues said.

It was also clear, from the tactics of his Democratic opponents, that he will be under steady pressure from them as he seeks to rebuild his base.

The speaker won re-election only narrowly. More important, his margin of victory was supplied by

NEWS ANALYSIS

Republican representatives who said publicly or privately before Tuesday afternoon's vote that if they backed him they would do so reluctantly, out of pure party loyalty.

Those dozen or so will be the key figures in the next two weeks as public hearings delve into Mr. Gingrich's admitted violations of House rules. At those hearings, James Cole, the former federal prosecutor who is serving as the ethics committee's special counsel, is to present his findings in detail.

If the hearings produce new revelations, the speaker's support could shrink further, and if the evidence is strong enough, it could prompt the Republicans to vote for censure, which would force Mr. Gingrich to step down. Even if that does not happen, the speaker

See GINGRICH, Page 3

AGENDA

Texaco Fires Executive In Racial Tape Scandal

WHITE PLAINS, New York (Combined Dispatches) — —Texaco Inc. dismissed a top executive, suspended another and dropped benefits for two retirees Wednesday for conduct revealed on racially inflammatory tape recordings.

The company said it fired David Keough, who had been chief financial officer of a Texaco subsidiary in Bermuda, and suspended Peter Meade for two weeks. Mr. Meade is assistant general manager of fuel and marine marketing.

The retirees include Richard Lundwall, the executive who made the tapes and released them to the plaintiffs in a race-discrimination suit that was then quickly settled by Texaco for $176 million in the face of a boycott. On the tapes, Texaco executives can be heard degrading minorities and discussing the possibility of destroying documents in the race-discrimination case. *(AP, Bloomberg)*

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Jacques Munch/Reuters

A ROYAL FAMILY AFFAIR— Leaving a Mass on Wednesday to celebrate the 700th anniversary of the Grimaldi family's reign in Monaco were Prince Rainier and his children, Prince Albert, Princess Caroline, left, and Princess Stephanie.

Serbian Authorities Allow Major Opposition Victory

By Chris Hedges
New York Times Service

BELGRADE — The government of President Slobodan Milosevic, in the most significant concession since the seven-week political crisis began, said Wednesday that the opposition coalition had won control of Serbia's second-largest city.

But, despite the magnitude of the concession, it appeared unlikely that the announcement would have much effect on the daily street protests.

Not only did the concession fall far short of the opposition demand to honor the election victories by the coalition in 14 of Serbia's 19 largest cities, but the election figures released by the government gave the governing Socialists twice as many seats on the city assembly in Nis as they won in the November vote.

Western diplomats said that the government, while perhaps willing to concede Nis and some smaller cities, still hopes to hold onto Belgrade, where the opposition also won decisively. As long as Mr. Milosevic struggles to keep Belgrade, it will be difficult, these diplomats contend, to stanch the huge street demonstrations.

But despite Mr. Milosevic's reputation as an autocratic and often ruthless political leader, he has also proven adept at compromise. He granted, for example, student demands during street protests in 1992. And he was instrumental in pushing through the Dayton peace accord, a plan that brought an end to a war he had largely been responsible for starting. Those who know his operating style do not rule out the possibility that concessions can slowly be pulled out of him.

"The government is trying to work out a compromise, but that is unacceptable to us," said Alexandar Krstic,

See SERBS, Page 6

Dow Jones	Trib Index
Down 51.18	Down 0.27%
6549.48	149.40

The Dollar New York,	Wed. close	previous close
DM	1.575	1.5643
Pound	1.688	1.6948
Yen	115.82	115.195
FF	5.3205	5.2838

Newsstand Prices			
Bahrain	1,000 Din	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12,00 F.M.	Qatar	10.00 Riels
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.80	Saudi Arabia	10.00 R
Egypt	E£ 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10,00 Dirh
Kenya	K. SH. 150	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zim.$30.00

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UN's Rwanda Genocide Court: Is It Fit to Judge?

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — As the International Criminal Tribunal for Rwanda prepares for its first genocide trial Thursday, there are growing fears that the court, based in Arusha, Tanzania, is barely functioning and is in danger of failure because of administrative lapses and misconduct that the United Nations has been reluctant to face and slow to correct.

The problems in Arusha as described by employees and consultants to the tribunal include allegations of inexplicable delays in disbursing funds; the hiring of unqualified relatives, friends and mistresses; sexual harassment and intimidation; questionable use of tribunal resources, such as aircraft; lack of support for prosecutors and interference with the judicial process through the monitoring of judges' mail and phone calls.

That list will present the UN secretary-general, Kofi Annan, with a difficult test case.

A new chief of administration will soon have to be appointed to run the Arusha offices and there are growing calls for the removal of two other important tribunal officials: the registrar, Andronico Adede of Kenya, who has considerable power over finance and personnel, and the deputy prosecutor, Honore Rakotomanana of Madagascar.

The acting chief of administration is Mohammed Said, an Ethiopian.

Africans want to keep the positions, and most other tribunal jobs, in African hands and are expected to put pressure on Mr. Annan as a fellow African.

Several Western governments are arguing for appointments of better qualified managers, if necessary administrators and experts from outside Africa.

In Washington and in The Hague, where a Canadian judge, Louise Arbour, is now the chief prosecutor for both the Rwanda and Balkan tribunals, officials are awaiting a report by the UN inspector general's office, which conducted an investigation last fall.

The United States, which has contributed more than $21 million to the tribunal and assigned 10 American experts to assist it, conducted its own investigation of the situation but does not plan to make its findings public, deferring to the United Nations, which is responsible for staffing.

The UN report is now circulating for comment among relevant officials and is not likely to be published for a number of weeks. "The sooner this report goes out," Judge Arbour said Wednesday, "the sooner I feel I can start giving my own office the direction I'd like to."

The Rwanda tribunal has been beset from its inception in 1995 by unusual problems.

Judge Arbour's prosecutors are based in Kigali, the Rwandan capital, but the court itself is in neighboring Tanzania in a remote town where communications, particularly telephone links, are described as atrocious.

Although the tribunal has indicted 21 people and has 13 in custody, African nations have often been reluctant to cooperate in arresting suspects and transferring them to the court's custody. That is not unlike parties to the conflict in the former Yugoslavia and the NATO forces sent to keep the peace there.

In a trial scheduled this week, the first defendant is Jean-Paul Akayesu, a former mayor of a commune where 2,000 Tutsi were massacred by Hutu gangs between April and June 1994.

He is charged with genocide and crimes against humanity.

Among four indicted Rwandans being held in Cameroon is Colonel Theoneste Bagosora, whom Alison DesForges of Human Rights Watch Africa describes as the creator of the regime responsible for the 1994 massacres.

They followed the death that April in an air crash of the country's president, Juvenal Habyarimana, a Hutu.

"He gave the military orders in the first 24 hours," Ms. DesForges said of Colonel Bagosora.

Hundreds of thousands of Rwandans, mostly Tutsi, were killed in the weeks that followed.

The president of Cameroon, Paul Biya, has held up the transfer of Colonel Bagosora and the others for months.

Ms. Arbour said that there was "no plausible explanation" for the delay.

Foreign Legion Goes on Patrol In the Paris Metro

Reuters

PARIS — The French Foreign Legion, one of most famed fighting units in the world, has taken on a new assignment far from the tropical expanses where it usually operates — the Paris Metro.

The army said Wednesday that a unit of some 320 legionnaires had fanned out in metro and regional express train stations this week. The action is part of the Vigipirate plan in which more than 2,000 soldiers are helping the police patrol train and metro stations as well as airports.

The security plan was put into operation shortly after a rush-hour bombing Dec. 3 of a commuter train that killed four people and wounded nearly 100. Algerian Muslim fundamentalists are suspected in the blast.

Der Spiegel Turns 50 / **'Battering Ram of Democracy'**

An Unflattering Mirror of German Politics

By John Schmid
International Herald Tribune

HAMBURG — Helmut Kohl, subject to years of unflattering commentaries from the news magazine Der Spiegel, which has depicted him as provincial, clumsy and worse, has returned the favor.

In a snub to the weekly magazine, which once called itself the "battering ram of democracy" for exposing nearly all of Germany's biggest postwar scandals, the chancellor declined to attend Spiegel's milestone 50th anniversary commemoration in Bonn next Wednesday.

Mr. Kohl's well-known displeasure with the magazine — he has never granted an interview and is said to tell visitors that he pays no attention to it — is hardly unusual. Appearing in Spiegel, a must-read every Monday for news junkies, is seldom an honor.

"Sad to say, this rag is actually being read," former Chancellor Konrad Adenauer once said. Willy Brandt, another former chancellor, went on record calling it something more disparaging than toilet paper.

"Anyone who talks to Spiegel puts his head into the jaws of a tiger," said Elisabeth Noelle-Neumann, a leading opinion maker and founder of the Allensbach polling institute.

Der Spiegel, first published on Jan. 4, 1947, and two years older than the Federal Republic of Germany itself, has infuriated innumerable politicians and delighted readers for five decades. It has ended political careers, become required reading in Bonn and many boardrooms, and is openly proud of its irreverent and sometimes scathing style.

In 1962, it caused the resignation of Defense Minister Franz-Josef Strauss and the jailing of its editors by Chancellor Adenauer. Spiegel's subsequent record includes disclosures in the 1980s that led to annihilating electoral defeat of a governor who had been spying on his challenger. In another scandal, known as the Flick affair, it revealed secret funding of political parties.

Because of its considerable role in shaping the postwar nation as well as reporting on it, few deny that the magazine has become an institution. Subscribers include every Foreign Ministry in Europe.

When Der Spiegel arrives each Monday with a floppy thud — it averages 250 pages per issue — it serves up a spectrum of general news not confined to domestic politics. It covers economic, foreign and cultural affairs. On Jan. 16, it will outdo itself with a special anniversary issue weighing in at an unprecedented 364 pages.

But after a half-century of growing authority and circulation, Der Spiegel — literally, The Mirror — looks to a future in which its unrivaled dominance might have peaked.

Competitors have tried for decades to start a direct challenger and finally, three years ago, one succeeded. Focus, a color-splashed weekly with easier-to-read articles appeared in 1993, shrewdly contrasting with Spiegel's exhaustive columns of prose and time-honored resistance to color.

Focus has gained rapidly and now matches Spiegel's circulation of about 1 million. Last year, Focus, owned by the Munich-based Burda media group, sold more pages of advertising than Spiegel. Focus held its own party in Bonn last November, evidently to preempt Spiegel's upcoming celebration. Tellingly, Mr. Kohl made it a point to attend the Focus party.

Breaking tradition and overcoming fierce internal opposition, this week's Spiegel for the first time offers full-color pictures cover-to-cover and makes other concessions to reader friendliness, such as layout modifications and fresher typeface. The arrival of Focus, a surge in paper prices and the extensive use of four-color printing have taken a chunk out of Spiegel's earnings, according to a spokesman for Spiegel, Heinz Lohfeldt.

Competition has forced Spiegel's owner, Hamburg-based Spiegel Verlag GmbH, to diversify. More than four-fifths of Spiegel Verlag's 542 million Deutsche marks ($347 million) in sales last year stemmed from the namesake, with the remainder from newer operations like electronic publishing, the Manager Magazine business monthly, and Spiegel TV GmbH, a television news magazine.

Spiegel's circulation has dipped from its zenith of nearly 1.2 million in the early 1990s, but it continues to average a healthy 1 million copies each week, enough to reach more than 6 million readers. It has 13 offices in Germany and 20 in foreign capitals.

Politicians are said to be nervous about its archives alone, the most extensive in Europe, where virtually anything ever printed anywhere about any German leader is indexed and stored. More than 100 full-time staff members, including 77 journalists, tend the archives and meticulously check facts.

Perhaps the most acute question involves the magazine's future after its firebrand publisher and founder, 73-year-old Rudolf Augstein, leaves. His strong personality, relentless ambition and often cocky writing have dominated the publication ever since its maiden 24-page issue. Mr. Augstein has been compared to Henry Luce, founder of Time magazine, and to the fictional Citizen Kane.

Now a multimillionaire and no longer in the best of health, Mr. Augstein calls his editors several times a day from one of his homes — in Hamburg, the North Sea resort island of Sylt, Saint-Moritz in Switzerland or Saint-Tropez in France. He still writes and has no known plans to retire.

But in Spiegel's modernistic 13-floor Hamburg tower, staff members say that Mr. Augstein is certain to leave a vacuum. They add that he has been around long enough to instill a healthy disrespect for authority and a devotion to investigative digging.

FRESH from a stint as a German artillery officer on the eastern front, Rudolf Augstein was granted one of the first publishing licenses by the British occupying authorities in Hannover.

Spiegel needed only a few months to gall the first postwar chancellor. It reported that sleepy Bonn had been chosen over Frankfurt as the provisional capital of West Germany, suggesting the reason was because Chancellor Adenauer owned a house nearby.

One of the magazine's finest moments came in 1962 with the legendary Spiegel affair. In a 12-page story, the magazine called into question the combat readiness of the German armed forces. Mr. Adenauer screamed of "treason" in Parliament, and the Bonn government ordered the police to shut Spiegel's offices and jail Mr. Augstein for 14 weeks.

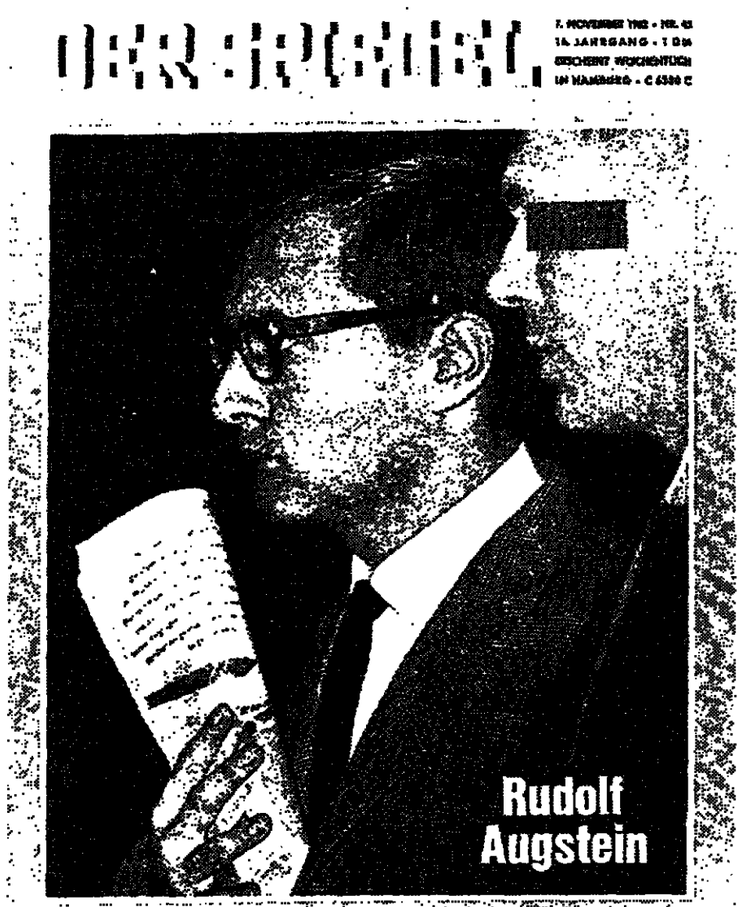
Given the magazine's thin resources at the time, the shutdown was intended to put Spiegel out of business. But the staff continued to put out weekly issues with borrowed office space, cajoled by memos sent from jail by Mr. Augstein.

Mr. Strauss, the defense minister, was forced to quit under accusations that he abused his office by ordering the arrest in Spain of a Spiegel journalist. The journalist, who was vacationing there, had contributed to the inflammatory story on the German armed forces.

A rallying point for anti-government protests, the Spiegel affair became a watershed for Germany's young democracy and an independent press. It also gave the magazine enormous credibility and bolstered circulation.

German reunification handed Spiegel another chance to excel. Mr. Augstein sent teams of reporters into a region that had never seen modern aggressive investigative reporting, churning out weekly disclosures about poisoned drinking water, the miserable economic conditions and Stasi corruption.

"Without me," Mr. Strauss once said, "what would Der Spiegel be?"



Mr. Augstein shown being led to jail on treason charges in 1962, on the cover of an issue published after he was imprisoned. The police shut down Spiegel's offices, in a move intended to put the magazine out of business. But the staff continued to put out weekly issues.

Peru and Japan Criticize Media Meddling in Crisis

TV Team Detained After Talk With Rebels

Compiled by Our Staff From Dispatches

LIMA — Peru and Japan criticized journalists Wednesday, asserting that they jeopardized efforts to end the deadlocked hostage crisis, now in its fourth week, with Marxist rebels still holding 74 hostages.

Fueling that anger were a reporter and a translator working for the Japanese television station TV Asahi, who sneaked past the police Tuesday for a two-hour meeting with rebels of the Tupac Amaru Revolutionary Movement.

Peruvian anti-terrorism police detained the pair and confiscated their notebooks and cameras as they came out of the besieged Japanese ambassador's residence. Police sources said Wednesday that the two would be held for at least five days at the anti-terrorism headquarters in central Lima while the authorities decided whether to press charges against them.

Prime minister Ryutaro Hashimoto of Japan, speaking on a tour of Southeast Asia, criticized the reporter, saying he could have harmed efforts to solve the crisis.

"It is very regrettable," a Foreign Ministry official quoted Mr. Hashimoto as saying. "An act like that could create unforeseeable circumstances and disrupt the Peruvian government's efforts for a peaceful resolution and the release of all hostages."

TV Asahi named the two as Victor Borja, a Peruvian interpreter, and Tsuyoshi Hitomi, a New York-based reporter. The Japanese government's task force in Lima has banned them from their daily briefings.

The pair's entry into the residence, as well as the entry on New Year's Eve by a larger group of journalists, was also condemned by Peru's prime minister, Alberto Pandolfi, as "damaging to the seriousness and fluidity of talks."

TV Asahi said it did not instruct Mr. Hitomi to enter the residence, Kyodo news agency reported.

The action was an embarrassment for the police, who immediately tightened security around the residence.

The rebels stormed the residence on Dec. 17 and took about 500 hostages including ambassadors and senior Peruvian government officials. Most of them were later released. Throughout the crisis, the local and foreign media have played a prominent role, covering every slightest movement at the siege.

The rebels sought to turn the flap over TV Asahi to their advantage Wednesday, showing a placard that read: "Now journalists are arrested to hide the truth."

Trying to seize the public relations initiative from the rebels, President Alberto Fujimori broke his silence on the crisis Tuesday, speaking with reporters and touring a prison where other Tupac Amaru rebels and hundreds of other guerrillas are being held.

"I hope, like everyone, for a peaceful solution," Mr. Fujimori said.

(Reuters, AP)

Syrian President Rests After Surgery

Agence France-Presse

DAMASCUS — President Hafez Assad of Syria will stay in bed for several days of rest after undergoing successful prostate surgery, the official news agency, SANA, said Wednesday.

No further details of the operation, which was announced Tuesday, were provided, but the news agency said President Assad would resume his regular activities "in a few days."

The date of the operation was not specified by SANA or in a two-line official announcement published on the front pages of Syrian newspapers Wednesday.

In Raid After a Wedding, Mexico Arrests 27 Linked to Drug Cartel

By John Ward Anderson
Washington Post Service

MEXICO CITY — Fourteen police officers and 13 other people linked to the powerful Juarez drug cartel have been arrested after federal agents learned that three private jets flown from an airport near Mexico City were ferrying guests to a wedding involving the family of a reputed drug kingpin.

The wedding was that of the sister of Amado Carrillo Fuentes, who is said to be head of the Juarez cartel. He has been indicted on several drug charges, and Mexican officials consider him the country's top drug lord.

The ceremony took place Saturday — a day before the raid — at a private ranch called La Aurora near the town of Navolato, 15 miles (25 kilometers) west of Culiacan, capital of the Pacific coastal state of Sinaloa. The 14 policemen arrested apparently were employed to provide security for the ceremony.

Mr. Carrillo was not one of those arrested in the operation. He is known as the "Lord of the Skies" because he is alleged to have pioneered the use of Boeing 727s to move cocaine shipments weighing as much as 15 tons between South America and the U.S.-Mexico border region.

U.S. and Mexican anti-drug officials say that Mr. Carrillo owns many large ranches in the desert and mountainous regions of northern Mexico, but it is unclear if he owns La Aurora or even if he attended the wedding. Local newspapers said he left the ceremony before the raid.

It was also unclear if any immediate members of his family or leaders of the drug cartel were among those arrested.

The joint operation by the Mexican Army and the National Institute to Combat Drugs — the Mexican equivalent of the U.S. Drug Enforcement Administration — was the first major move against drug-trade suspects in Mexico since an army general took charge of the federal drug agency five weeks ago, and it highlights the active role the military has taken on because of widespread police corruption.

Three corporate-style jets were confiscated in the joint operation, and investigators said they found traces of cocaine in each. The planes seat six to eight people, are about 15 years old and have a combined value of $1.5 million to $2.5 million, according to an airline industry official. Investigators also seized 22 handguns of various calibers, 9 rifles and about $3,300 in Mexican and U.S. currency.

U.S. officials say Mr. Carrillo, 41, represents a new breed of cartel leader, one who is more sophisticated than his rivals, keeps a low profile and is eager to compromise with competitors. At the same time, investigators blame his cartel for as many as 400 drug-related killings.

Correction

An article Dec. 27 described a reporter's efforts to find out how the magician David Copperfield performed his tricks in "Dreams and Nightmares," a Broadway show. The article included an interview with a man identifying himself as an audience "plant" who aided the magician. The man said he was disgruntled about being paid late for his work. He identified himself as Seth Greenspan, an employee of the show, but that identification was false. After the article was published in The New York Times, the show's producer visited The Times with the real Seth Greenspan, who produced full identification. A telephone number at which the impostor was initially reached has since been disconnected.

TRAVEL UPDATE

Hong Kong Banking on Turnover

HONG KONG (Reuters) — Hong Kong's hotels, restaurants and shops expect a windfall of 250 million Hong Kong dollars ($32 million) from the 8,300 visitors expected for the British colony's handover to China, the government said Wednesday. Hong Kong reverts to Chinese sovereignty at midnight June 30 after more than 150 years of British rule.

Southern Arizona Chills Out

TUCSON, Arizona (AP) — Temperatures plummeted into the teens Fahrenheit on Wednesday morning in the old desert mining towns of southern Arizona, as ski resort operators rejoiced at deep mountain snow.

The cold followed a snowstorm. The morning's low temperature in Tucson — home to many people from northern states who thought they had escaped winter weather — dropped to 29 degrees Fahrenheit (minus one centigrade), the National Weather Service said.

Bangkok to Reduce Motorcades

BANGKOK (AP) — Having failed to solve Bangkok's legendary traffic jams, some politicians may lose the privilege of traveling with a police motorcade, city traffic officials said Wednesday.

Traffic officials have asked the cabinet to restrict deputy ministers from using police-escort motorcades unless they are authorized by the police commissioner or a deputy.

Dozens of politicians will keep their perk. Some have been known to authorize motorcades for their wives' and children's shopping trips. Other drivers have to wait for as long as an hour as jammed roads are cleared and blocked off to make way.

Baboon Crossing; Make Way or Else

Reuters

CAPE TOWN — Motorists on one of South Africa's busiest highways are facing a new hazard — a troop of baboons that ambushes them with showers of rocks.

Traffic officials said Wednesday that three attacks had been reported in recent weeks on the highway between Cape Town and Johannesburg where it passes through a spectacular mountain pass.

They said that no injuries or crashes had been caused, but that stone-throwing traffic police had engaged in a running battle with the animals on Tuesday in an effort to drive them away.

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Andorra							
Pas de la Casa	130	180	Good	Open	Pwdr	8/1	*all lifts open*
Soldeu	60	180	Good	Open	Pwdr	8/1	*all 21 lifts open, excellent skiing*
Austria							
Ischgl	40	140	Good	Open	Pckd	4/1	*all 41 lifts open, generally good*
Kitzbuhel	10	47	Fair	Some	Var	25/12	*50/60 lifts open*
Lech	60	190	Good	Open	Pckd	4/1	*all 34 lifts open, mostly good*
Mayrhofen	5	70	Hard	Closed	Pckd	24/12	*all 28 lifts open, snow hardpacked*
Obergurgl	55	155	Good	Open	Pwdr	4/1	*all 22 lifts open, excellent skiing*
Saalbach	20	40	Hard	Open	Var	25/12	*all lifts open*
St. Anton	45	180	Good	Icy	Var	4/1	*all 32 lifts open, enjoyable skiing*
Canada							
Lake Louise	110	130	Good	Open	Var	7/1	*all 12 lifts open, great skiing*
Whistler	120	225	Good	Hard	Var	7/1	*all 26 lifts open, generally excellent*
France							
Alpe d'Huez	110	260	Good	Open	Var	5/1	*72/83 lifts open, excellent skiing*
Les Arcs	75	175	Good	Open	Var	5/1	*73/77 lifts open, greatskiing*
Avoriaz	130	150	Good	Open	Var	2/1	*all lifts open, mostly great*
Chamonix	20	250	Good	Some	Var	5/1	*all 48 lifts open, great skiing*
Courchevel	100	140	Good	Open	Var	6/1	*all 68 lifts open, good everywhere*
Les Deux Alpes	80	280	Good	Open	Var	6/1	*all 63 lifts open, excellent conditions*
Megeve	50	160	Good	Open	Pckd	5/1	*39/41 lifts open, very goodskiing*
Meribel	65	145	Good	Open	Var	5/1	*all lifts open, excellent skiing*
La Plagne	95	190	Good	Open	Pckd	5/1	*105/117 lifts open, generally superb*
Serre Chevalier	120	250	Good	Open	Var	5/1	*67/73 lifts open, great skiing*
Tignes	110	200	Good	Open	Var	7/1	*92/100 lifts open, excellentskiing*
Val d'Isère	100	270	Good	Open	Pckd	5/1	*92/100 lifts open, superb skiing*
Val Thorens	140	240	Good	Open	Var	5/1	*all 25 lifts open, excellent skiing*
Germany							
Berchtesgaden	20	30	Fair	Closed	Pckd	24/12	*25/31 lifts open, good skiing*
Oberstdorf	20	90	Good	Open	Pckd	30/12	*all 25 lifts open, best at altitude*

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Italy							
Bormio	30	200	Good	Open	Pwdr	6/1	*13/16 lifts open, excellent skiing*
Cervinia	190	465	Good	Open	Var	7/1	*all 25 lifts open, superb conditions*
Cortina	70	140	Good	Open	Pwdr	7/1	*all 51 lifts open, great skiing*
Courmayeur	80	250	Good	n/a	Pwdr	5/1	*20/22 lifts open, excellent skiing*
Livigno	105	200	Good	Open	Var	7/1	*30/31 lifts open, pistes, great shape*
Madesimo	110	360	Good	Open	Pwdr	7/1	*16/17 lifts open, great conditions*
Selva	30	110	Good	Open	Var	6/1	*all 81 lifts and sells rands open*
Norway							
Geilo	50	50	Good	Hard	Pckd	18/12	*all 18 lifts open, most runs good*
Switzerland							
Crans Montana	45	190	Good	Open	Var	4/1	*39/41 lifts open*
Davos	55	145	Good	Open	Pckd	4/1	*54/55 lifts open, great skiing*
Klosters	35	145	Good	Open	Pckd	4/1	*54/55 lifts open, very good skiing*
Murren	80	160	Good	Icy	Var	4/1	*all 12 lifts open, mostly good snow*
Saas Fee	90	300	Good	Open	Var	6/1	*all 26 lifts open, excellent skiing*
St. Moritz	60	210	Good	Open	Pckd	4/1	*lifts open through engadine valley*
Verbier	50	200	Good	Icy	Var	4/1	*73/74 lifts open, great above 2200m*
Wengen	15	100	Good	Open	Pckd	4/1	*all 20 lifts open, good skiing*
Zermatt	65	280	Good	Open	Var	4/1	*72/73 lifts open in cervinia/zermatt*
U.S.							
Aspen	110	125	Good	Open	Pckd	5/1	*fully open, well groomed trails*
Breckenridge	120	150	Good	Open	Pckd	5/1	*19 lifts and 140 trails open*
Crested Butte	145	160	Good	Open	Pckd	4/1	*all 13 lifts, runs and bowls open*
Mammoth	210	350	Good	Open	Var	5/1	*21/30 lifts open, excellent skiing*
Park City	155	210	Good	Open	Pckd	6/1	*all 14 lifts and 86 trails open*
Vail	150	160	Good	Open	Pckd	5/1	*25 lifts and 4644 acres open*
Winter Park	135	155	Good	Open	Pckd	5/1	*18/20 lifts and 118/121 trails open*

Key: L,U: Depth in cm on lower and upper slopes. Mtn. Pistes Mountainside pistes. Res. Pistes Runs leading to resort village. Art. Artificial snow.

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WEATHER

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	18/61	8/48 sc	18/61	12/53 pc
Amsterdam	-1/31	-6/22 pc	-2/28	-2/29 pc
Ankara	8/46	1/34 sh	3/37	0/32 sh
Athens	12/53	8/48 c	16/61	12/53 c
Barcelona	13/55	4/39 c	11/52	5/41 pc
Belgrade	3/37	1/34 c	4/39	0/32 sh
Berlin	3/37	-5/22 pc	-4/25	-7/20 pc
Brussels	-1/31	-3/27 sn	-1/31	-1/31 pc
Budapest	1/34	-1/31 pc	1/34	-6/20 sn
Copenhagen	-1/31	-4/25 pc	-1/31	-3/27 s
Costa Del Sol	18/59	7/44 c	17/63	11/52 pc
Dublin	4/39	2/35 pc	7/44	6/43 sh
Edinburgh	2/35	-2/29 pc	3/37	0/37 c
Florence	6/43	5/41 r	7/44	3/37 sh
Frankfurt	-5/22	-10/15 pc	-5/24	-7/20 pc
Geneva	3/37	1/34 sh	4/39	-0/32 c
Helsinki	-5/24	-9/16 c	-5/24	-13/9 pc
Istanbul	10/50	5/43 c	9/48	6/48 sh
Las Palmas	22/71	16/61 s	23/71	17/63 s
Lisbon	13/55	9/48 pc	15/59	13/55 c
London	1/34	-2/29 pc	6/43	5/41 c
Madrid	12/53	3/37 c	9/48	7/44 sh
Mallorca	11/52	4/39 c	9/48	6/43 pc
Milan	1/34	-1/31 sn	5/41	-3/27 c
Moscow	-9/16	-12/11 pc	-7/20	-12/11 c
Munich	3/37	-3/27 sn	-1/31	-4/25 sn
Nice	9/48	6/41 sh	13/55	4/39 pc
Oslo	-4/25	-8/18 pc	-8/18	-13/9 pc
Paris	-1/31	-3/27 pc	3/37	2/35 pc
Prague	-2/29	-9/16 c	-3/29	-7/20 c
Reykjavik	1/34	-3/27 c	-1/31	-1/31 sf
Rome	13/55	7/44 r	12/53	7/44 sh
St. Petersburg	-6/22	-9/16 c	-5/24	-13/9 c
Stockholm	-3/28	-7/20 pc	-2/29	-8/18 pc
Strasbourg	4/39	-1/31 c	2/35	-0/29 c
Tallinn	-5/24	-9/16 c	-4/25	-13/9 pc
Venice	2/35	2/35 sn	4/39	1/34 r
Vienna	-1/31	-4/25 pc	1/34	-3/27 sn
Warsaw	-5/24	-8/18 c	-3/27	-8/22 pc
Zurich	2/35	-1/31 sf	2/35	-2/29 c

Middle East

Abu Dhabi	29/73	13/55 s	22/72	18/63 s
Beirut	19/66	12/53 pc	18/64	12/53 pc
Cairo	22/71	10/50 s	21/70	11/52 s
Damascus	16/61	4/39 s	15/59	5/41 s
Jerusalem	16/61	5/41 s	14/57	6/43 s
Luxor	30/86	8/48 s	30/86	8/48 s
Riyadh	21/70	11/52 c	22/71	9/48 pc

Forecast for Friday through Sunday, as provided by AccuWeather.

North America
A strong winter storm is expected to batter the mid-Atlantic and Northeast Friday into Saturday with rain, ice and snow. Otherwise, arctic air will spread from the Plains to the East this weekend, although readings in the East will be close to normal Friday. The West will be dry and mild.

Europe
Far western Europe, including Spain, Portugal and Ireland, will experience a dramatic warming trend through this weekend. The rest of western Europe, including Paris, will stay near- to below-normal, while eastern Europe and western Russia will remain cold. Stormy from Italy into southeast Europe.

Asia
Unseasonably cold air will grip much of northeastern China, Manchuria, the Koreas and most of Japan through the weekend. Stormy across southern and eastern Japan this weekend; otherwise, mainly dry in these areas. Mainly dry and seasonably in Hong Kong and much of Southeast Asia.

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	-7/20	-10/15 sf	-4/25	-8/18 sn
Atlanta	10/50	3/37 r	4/39	-2/29 pc
Boston	2/35	0/32 sn	4/39	-2/29 sn
Chicago	-2/29	-9/16 sf	-0/22	-1/64 sf
Dallas	6/43	-2/29 pc	8/46	-1/31 pc
Denver	7/44	-8/18 pc	-1/31	-17/2 sn
Detroit	-1/31	-6/22 sn	-2/29	-11/13 sn
Honolulu	27/80	19/64 s	27/80	20/68 pc
Houston	7/44	2/35 pc	13/55	0/32 pc
Los Angeles	21/70	7/44 s	21/70	8/46 s
Miami	29/82	21/70 pc	24/75	19/66 t
Minneapolis	-5/22	-17/2 sf	-12/11	-23/-9 c
Montreal	-8/18	-12/11 pc	-1/31	-11/13 sn
Nassau	28/82	17/62 s	27/80	18/64 pc
New York	2/36	0/32 sn	6/43	-2/29 sh
Orlando	27/80	15/61 pc	21/70	8/48 t
Phoenix	14/57	6/43 s	18/64	7/44 s
San Fran.	16/61	7/44 s	16/61	5/41 pc
Seattle	10/50	7/44 c	10/50	6/43 pc
Toronto	-5/24	-9/18 pc	-3/27	-15/5 sn
Vancouver	10/50	6/43 sh	10/50	2/35 pc
Washington	2/35	0/32 sn	4/39	-2/29 sn

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	31/88	22/71 sh	30/86	24/73 t
Bangkok	30/86	17/62 pc	27/80	17/62 pc
Beijing	3/37	-6/22 c	-1/31	-7/20 c
Bombay	29/82	14/57 s	27/80	16/61 s
Calcutta	24/75	11/52 s	24/75	11/52 s
Chiang Mai	29/84	16/61 pc	29/82	16/61 pc
Colombo	28/84	21/70 pc	28/82	22/71 c
Hanoi	18/66	12/53 pc	19/66	12/53 pc
Ho Chi Minh	29/86	20/68 pc	31/88	21/70 pc
Hong Kong	18/64	10/50 pc	17/62	10/50 pc
Islamabad	20/68	3/37 s	18/64	2/35 s
Jakarta	29/84	24/75 c	28/82	24/75 sh
Karachi	22/71	8/46 s	24/75	8/46 s
K. Lumpur	31/88	21/70 pc	30/86	21/70 pc
K. Kinabalu	27/80	21/70 pc	25/79	21/70 pc
Manila	29/82	19/66 r	29/82	19/66 r
New Delhi	22/71	3/37 pc	23/73	3/37 s
Phnom Penh	29/84	19/66 s	28/82	21/70 pc
Phuket	30/86	17/62 pc	27/80	17/62 pc
Rangoon	30/86	17/62 s	29/82	18/64 pc
Seoul	3/37	-5/22 s	2/35	-4/25 c
Shanghai	4/39	-2/29 c	6/43	-2/29 s
Singapore	31/88	25/77 pc	27/80	22/71 pc
Taipei	14/57	10/50 sh	14/57	9/48 pc
Tokyo	6/43	0/32 pc	7/44	-2/29 s
Vientiane	20/68	11/52 pc	19/66	11/52 pc

Africa

Algiers	19/66	7/44 sh	13/55	4/39 c
Cape Town	18/64	11/52 pc	19/66	11/52 pc
Casablanca	16/61	6/46 c	17/62	11/52 pc
Harare	28/84	10/50 s	28/84	10/50 s
Lagos	31/88	23/73 pc	30/88	22/71 pc
Nairobi	29/84	12/53 pc	29/84	13/55 pc
Tunis	16/61	11/52 c	14/57	7/44 sh

Latin America

Buenos Aires	30/86	23/73 pc	28/82	19/66 pc
Caracas	28/82	20/68 c	28/82	22/71 pc
Lima	28/79	20/68 pc	27/80	20/68 c
Mexico City	18/61	3/37 c	18/61	3/37 sh
Rio de Janeiro	32/89	24/75 pc	28/82	22/71 pc
Santiago	34/93	11/52 s	30/86	10/55 s

Oceania

Auckland	21/70	16/61 c	21/70	17/62 c
Sydney	23/73	15/59 s	23/73	17/62 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Joe Marquette/The Associated Press

Mrs. Albright appearing at the Foreign Relations Committee Wednesday.

Albright's Record Shows Concern for Rights

By Steven Erlanger
New York Times Service

WASHINGTON — In her long career, which has mixed academia, politics and government to an unusual degree, Madeleine Albright has shown a consistent interest in issues of press freedom and individual rights in authoritarian countries.

Mrs. Albright came before the Senate Foreign Relations Committee on Wednesday for confirmation hearings as the first woman to be designated America's secretary of state. But she would also be the first secretary of state in memory to speak Russian, not to mention French, Polish and Czech, the language of her birthplace. She is expected to be confirmed easily.

As a study of her published writings demonstrates, Mrs. Albright has devoted a considerable amount of her career to examining the way human rights and civil and press freedoms have worked to bring about long-term change and democratization, especially in Central and Eastern Europe.

She has an abiding interest in European security, which is expected to be among the most important of this year's foreign-policy issues, along with a reshaping of the United Nations and the American role within it, which has been the subject of many of her official speeches since she became chief delegate to the United Nations in January 1993.

She has been moved and influenced by her many conversations with Vaclav Havel, the Czech playwright and dissident who rode the anti-Communist revolution to become the president of the Czech Republic.

In her UN role, she was also the highest-ranking American official to visit Daw Aung San Suu Kyi, the Burmese pro-democracy activist and Nobel Peace Prize winner, let alone to have written about it. Mrs. Albright called the military government of Burma a "klepiocracy" in The New Republic in December 1995.

She has strongly defended the U.S. intervention in Haiti and Bosnia and the establishment of the War Crimes Tribunal to punish those guilty of war crimes in the Balkans.

Mrs. Albright's published work provides a strong sense of her political views. From her 1976 doctoral dissertation at Columbia University on "The Role of the Press in Political Change" in 1968 Czechoslovakia, to a book-length study of the same topic in Poland during the Solidarity period, published in 1983, the "dynamics of liberation" and the power of the word have fascinated her.

In periodical-length studies of "The Glorious Revolution of 1989" that liberated Communist Europe from Moscow and of the "democratic pulse" of public opinion in Eastern Europe and the former Soviet Union, all published in 1992, she analyzed the major geopolitical shift of the last half of the century and how ordinary people reacted to it.

In "The Role of the United States in Central Europe," published in 1991 by the Academy of Political Science, she argued that America should "rethink its policy toward Europe."

She called for America to support the emerging democracies in Europe. If those new democracies fail, she wrote, "they will be replaced by authoritarian governments, chaos or civil wars," which could then "infect the Soviet Union."

She argued that it was equally important for the Bush administration to stop treating Eastern-bloc countries as one entity and understand their "quite different historical experiences and political influences."

Foreshadowing the fierce debate over NATO, Mrs. Albright, contemplating European and Soviet concerns about a united Germany, thought it "more productive and forward-looking to concentrate on building a new all-European security system that would be based on NATO and the current Conference on Security and Cooperation in Europe than to focus on expanding NATO itself."

Six years on, NATO is facing expansion, and it will fall in large part on Mrs. Albright to manage the tricky path to NATO's summit meeting in July.

With a comparatively thin knowledge of Asia and the Middle East, Mrs. Albright will be more dependent on others to shape policy concerning those areas. But given the themes of her writings, her heritage and her languages, she seems ideally prepared to shape the new Europe she could only analyze in 1991.

About the United Nations, its potential and an effective American role within it, Mrs. Albright's views are better known.

Her many official speeches demonstrate commitment to a reformed United Nations that can deal with global issues such as terrorism, drugs, poverty, the spread of nuclear weapons, peacekeeping, the environment and demographic change.

Mrs. Albright argues against American isolation and for multilateral engagement in a world "that reflects the interdependence of our age." The United Nations itself, she says, be used to promote democracy and American values.

"The United Nations gives the good guys — the peacemakers, the freedom fighters, the people who believe in human rights, those committed to development — an organized vehicle for achieving gains," she said.

In Washington: Goliath 1, Davids 0

What Now for 9 Representatives Who Defied Their Speaker?

By Katharine Q. Seelye
New York Times Service

WASHINGTON — They are an odd assortment of Davids who nearly toppled the House Goliath, with virtually nothing in common except, now, the possibility that they will be ostracized by their party.

They range in ideology from conservative to liberal, in geography from east to west, in stature from two sophomores to a lifer who, as a committee chairman, is part of the Republican hierarchy.

Their reasons for not supporting Newt Gingrich on Tuesday in his bid to retain the speakership also varied, from a fear that something else in Mr. Gingrich's ethics case might drop later to a view that he was damaged goods.

The nine dissenters, who included Representative Jim Leach of Iowa, the only one known nationally, never organized among themselves. And their votes — five "present"; two for Mr. Leach; one for Bob Michel, the former Republican leader, and one for former Representative Bob Walker of Pennsylvania — showed they had no strategy.

Most of them had not even talked with each other before the House vote Tuesday, which threatened a dramatic revolt but now may only have sealed their fates as objects of retribution.

"They won't be made chairman of Ways and Means," said Representative John Linder, whose Georgia district abuts Mr. Gingrich's and who has emerged as one of the speaker's most forceful allies.

Representative John Kasich, Republican of Ohio and chairman of the budget committee, asked whether the defectors would, or should, be punished, gave a philosophical answer that rambled all over the map. "I don't know," he finally said. "I won't speculate on it."

As for some of the dissidents, they are pragmatic. "It depends on how much power Newt has," said an aide to one of the nine, refering to the final outcome of the speaker's ethics case. "Our new office might be in a tent out on the mall."

The newly constituted Congress passed up a chance for an official sanction on Tuesday, leaving Mr. Leach — who voted for Mr. Michel and whose 11 terms in the House make him dean of the defectors — as chairman of the influential banking committee. Still, some members were urging the leadership to strip him of his chairmanship, which is still possible.

It was Mr. Leach's unexpected announcement Monday — calling Mr. Gingrich "ethically damaged" — that caused near-panic among party leaders who worried that a break by someone of his stature would provide cover to other wavering members.

Representative Frank Wolf of Virginia, who voted "present," also retained his chairmanship of the transportation subcommittee of the appropriations committee on Tuesday, at least for the time being.

Linda Smith of Washington, who has clashed with Mr. Gingrich in the past, particularly over campaign finance, said that even if the speaker were her brother she would vote against him because he stood in the way of reforming Washington. Scott Klug of Wisconsin laughed when asked if he expected to pay a price for his "present" vote. "I'm in trouble already, and I'm still here," he said.

Constance Morella of Maryland, who voted "present," said she thought it was "unconscionable" that members had to vote for speaker before they had all the facts from the ethics committee.

Tom Campbell of California said he agreed with Mr. Gingrich's own admission that he had brought discredit on the House by filing "inaccurate, incomplete and unreliable information." John Hostettler of Indiana said that Mr. Gingrich had a cloud over his head, and Mark Neumann of Wisconsin said Mr. Gingrich could not serve effectively.

■ Ethics Committee Meets

The House ethics committee on Wednesday began deciding whether to punish Mr. Gingrich, The Associated Press reported from Washington.

A day after Mr. Gingrich was re-elected speaker despite the panel's unfinished business, the committee met behind closed doors to hear from its outside counsel and to prepare for a public hearing. It was meeting for the first time since the speaker confessed to ethical wrongdoing.

Mr. Gingrich was investigated by a four-member subcommittee and the counsel, James Cole. The meeting Wednesday was the first opportunity for the other six members of the ethics committee to question the investigators.

A partisan fight erupted over a request by Mr. Cole for more time to complete his work. That would have necessitated an extension beyond the Jan. 21 date the ethics committee had set for wrapping up the case. The Democrats on the committee moved to change the Republican-proposed rules to accommodate Mr. Cole, but the Republicans refused.

The subcommittee, two Republicans and two Democrats, had unanimously backed the extension.

GINGRICH: *Restored to Power as Speaker but 'a Hero No More'*

Continued from Page 1

will have to operate more as a coordinator than an autocrat in the months ahead.

Such powerful Republican committee chairmen as Robert Livingstone of Louisiana, who heads the Appropriations Committee, and Bill Archer of Texas, his counterpart at Ways and Means, are already building channels of communication with the White House, which, if not independent of Mr. Gingrich, are close to it.

Not accidentally, he spoke on Tuesday of issues that he had asked other committee chairmen to deal with.

The speaker's whole bearing on Tuesday, and the mood in the House, contrasted starkly with the spirit of triumphalism that marked his accession to power two years ago and would ordinarily have suffused the place, since it was the first time since 1929 that a Republican had been re-elected to the post.

He received 216 votes, compared with 205 for Richard Gephardt, the Democratic leader of the House. Six members voted only "present," four votes were cast for others and four members were absent or not voting.

Emotions were muted, and so was Mr. Gingrich.

He said he hoped he could convince those who voted against him that he was worthy of the office.

"Two years ago, when I became the first Republican speaker in 40 years, to the degree I was too brash, too self-confident or too pushy, I apologize," he said, in an all-out effort to convince his colleagues that he had learned his lesson.

"To whatever degree, in any way that I brought controversy or inappropriate attention to the House, I apologize."

The Democrats cut him no slack.

They pressed parliamentary questions to make it as clear as possible that Mr. Gingrich had won merely a majority of those voting, not a majority of the whole House. They squabbled with the Republicans over whether the timetable for the ethics inquiry was being rushed to get the charges against Mr. Gingrich off the table quickly.

Representative Gephardt was civil, but no more in handing the gavel to Mr. Gingrich after the balloting.

The longer this persists, the more difficult it will be for President Bill Clinton to establish the kind of bipartisan spirit that he keeps talking about (and which Mr. Gingrich sought to promote in his remarks on Tuesday).

That is the most important thing about the whole Gingrich ethics episode — not the fact that Mr. Gingrich, who came to prominence in the spring of 1989 with his attacks on the ethics of Jim Wright, then the speaker, is now hoist by his own petard, and not the fact that he distracts attention from Mr. Clinton's ethical woes.

In fact, Mr. Gingrich's confessed sins, both his apparent misuse of tax-exempt funds for political purposes and his lack of candor with the investigating committee, pale by comparison to the range of accusations against Mr. Clinton and his campaign fund-raisers — Whitewater, Travelgate, Paula Jones's sexual-harassment suit, the Asian campaign contributions, the missing files.

But as The New Republic magazine said this week, "In moral matters, there is such a thing as small potatoes, but small potatoes are still potatoes."

That gives the Democrats' pursuit of Mr. Gingrich a certain credibility, lending substance to what otherwise might look even more like partisan grandstanding.

Eventually, the Gingrich matter will be resolved, one way or the other.

But then Washington will have to gird for the hearings into dubious campaign contributions during the 1996 campaign, and those promise to provide the Republicans with ample opportunity to retake the political offensive.

With scandal enveloping both ends of Pennsylvania Avenue, in other words, the prospects for partisan peace are slight.

Mr. Clinton may talk, as he did on Monday, of "a spirit of reconciliation," and Mr. Gingrich may urge, as he did on Tuesday, that legislators "reach out beyond party and beyond ideology."

But when such appeals come from leaders under suspicion of skirting or evading the rules or the law, they ring less true and have much less chance of breaking through partisan instincts honed over political lifetimes.

POLITICAL NOTES

President Clinton Names New Counsel

WASHINGTON — President Bill Clinton has named Charles F. C. Ruff, a former Watergate special prosecutor, to be his fifth White House counsel, a job that has increasingly come to require deft handling of a host of ethics controversies and congressional investigations.

Mr. Ruff, the chief lawyer for the District of Columbia, edged out a dozen candidates after impressing Mr. Clinton at a two-hour meeting late last month, officials said. He will replace Jack Quinn, who resigned last year for family reasons.

As the White House's lead lawyer, the counsel's responsibilities are as diverse as advising the president on constitutional issues and policing White House ethics. During the Clinton years, the counsel has also become the White House's chief defender in battles with investigating committees of Congress.

Mr. Ruff will inherit congressional and Justice Department investigations into a group of Democratic fund-raisers and contributors and their relations with the White House, as well as an independent counsel's inquiry into Whitewater-related issues. The Clintons also retain a private lawyer for Whitewater matters.

Mr. Ruff is no stranger to political cases, having built a specialty in both defending and prosecuting them over the years. He became the last of the four Watergate special prosecutors in 1975 and won the convictions of two members of Congress in the Abscam investigation. *(NYT)*

Georgian Diplomat Likely to Go Home

WASHINGTON — Expectation is growing among U.S. officials that a diplomat for the Republic of Georgia will be sent home rather than face possible charges in connection with a car crash that killed a 16-year-old girl.

It is highly unusual for governments to waive diplomatic immunity for fear of setting a precedent, and at least one American envoy has escaped prosecution in a similar case in Moscow in recent years.

The State Department spokesman, Nicholas Burns, said: "If charges are brought — and charges ought to be brought against somebody for this crime — then we think this man ought to stand trial." But he added: "It's more likely that the Georgian government will probably elect to send him home or have him expelled. And that's most unfortunate."

The Georgian Foreign Ministry said in a statement Wednesday that it would "cooperate in the investigation of the tragedy." The statement did not say whether the diplomat would be summoned home. *(AP)*

Gloom (Already?) For Bipartisan Era

WASHINGTON — The 105th Congress opened formally with a vow by its leaders to keep controversies over high-level wrongdoing in both parties from derailing efforts to balance the budget and pass other major legislation in the next two years.

But they conceded that an escalating partisan furor over admitted ethical lapses by the House speaker, Newt Gingrich, and questionable fund-raising for President Clinton's re-election campaign could dash the hopes for a new era of bipartisan cooperation.

"It's not a good atmosphere to find a bipartisan solution to some very important issues, but I think we can do it," said the Senate majority leader, Trent Lott. He was referring to the continuing ethics inquiry of Mr. Gingrich and plans in both houses for investigations into Democratic fund-raising practices.

The Senate minority leader, Thomas Daschle, said partisan excess over the investigations could be a "real threat" to the passage of legislation. But, like Mr. Lott, he contended that the two pursuits should be made along "separate tracks" to avoid such a risk, noting that this was done successfully with the Whitewater hearings last year.

A similar resolve was expressed in the House. "We're not starting off on a good foot here, very obviously, so we've got to get beyond this," said Representative Jim Kolbe. *(WP)*

Quote / Unquote

Gerald Solomon, the New York Republican who is chairman of the House Rules Committee, proposing that the House develop a drug-testing program comparable to the one used by the executive branch, under which agencies screen workers in "sensitive positions": "We should be no different than others in ensuring a drug-free workplace." *(WP)*

ALBRIGHT: *Aggressive Agenda*

Continued from Page 1

confirmation as the most important American diplomat and the highest-ranking woman in any administration. Her family emigrated to the United States when she was 11.

One area of explicit disagreement emerged, however.

Mr. Helms, who has been sharply critical of the United Nations, indicated that he would look skeptically at all foreign policy spending. But Mrs. Albright said that State Department operations, already trimmed substantially, could not responsibly be cut further. She also said that the United States must pay its $1.1 billion in arrears to the United Nations.

"The superb diplomatic representation that our people deserve and our interests demand," she said, cannot be had "on the cheap."

Mr. Helms made it plain that, while he was happy with the departure from the United Nations of Secretary-General Boutros Boutros Ghali — Mrs. Albright is widely understood to have engineered that, and indeed Mr. Helms thanked her for "bouncing Mr. Boutros Boutros Ghali" — it did not mean he was prepared to drop his complaints about the organization's inefficiencies and pay all U.S. arrears.

"The ball is not in our court," he said, referring to the Senate.

Mrs. Albright agreed that "there's a lot more to be done" about reform, but that the United States needed to pay its dues "because we believe in the rule of law, and we believe that contracts are sacred."

In an unusual move, Mrs. Albright was introduced to the committee by Secretary of State Warren Christopher, who called her "a magnificent choice" to succeed him.

She, in turn, praised him, but later suggested that she would be a more energetic secretary, seeking to steer events rather than react to them. "We must be more than an audience, more even than actors," she said. "We must be the authors of the history of our age."

Americans, Mrs. Albright said, "are doers," not complainers, and could best achieve their goals by "rejecting the temptations of isolation and by standing with those around the world who share our values." Those values, she added, would be defended by U.S. diplomats "with skill, knowledge and spine."

She said the United States should stand ready to play a continuing "or increased role" in regional or civil wars, "supporting the peacemakers over the bomb throwers." She called particular attention to the problems in Cyprus, Central Africa, South Asia, Nagorno-Karabakh and Northern Ireland.

But she added: "We are not a charity or a fire department. We must be selective and disciplined in what we choose to do."

Her interest has long centered on Eastern and Central Europe, and she said she would devote considerable efforts to supporting the cause of European integration and NATO expansion. What the Atlantic alliance "must and will do," Mrs. Albright said, "is keep open the door to membership to every European nation while building a strong and enduring relationship with all of Europe's democracies, including Russia."

But she also stressed that she would play close attention to Asia, particularly China. The two countries have important differences, she said, over such issues as trade, weapons transfers and human rights, including China's domination of Tibet. But the two had gainfully cooperated, she said, on issues of crime, the environment, nuclear testing and the frictions on the Korean Peninsula.

The United States, she said, needed to pursue "a strategy aimed at Chinese integration, not isolation."

U.S. Gives New UN Chief No Slack

By Barbara Crossette
New York Times Service

UNITED NATIONS — Secretary of State Warren Christopher came to the United Nations to congratulate the new secretary-general, Kofi Annan, telling him that the Clinton administration was confident it could "now begin again to renew a close relationship" with the organization, according to the State Department spokesman.

But in a discussion Tuesday on how to reform the United Nations enough to persuade Congress to pay the $1.3 billion debt Washington owes, it was clear after the generally cordial meeting that the two sides were not talking about exactly the same thing.

Nicholas Burns, the spokesman, said: "We believe that global issues — proliferation of weapons of mass destruction, environmental problems, terrorism, and narcotics — will be among the great challenges of the coming years, and the secretary of state said that he felt that the United Nations was the only world body with the capacity and the scope and the mandate to be an international leader on those issues."

"We would be quite willing to work under the leadership of the United Nations on those issues," he added.

On reform, however, Mr. Burns said that it meant that the organization "should be certainly reduced in size," despite the global leadership role Washington seemed to be assigning it.

Fred Eckhard, Mr. Annan's spokesman, said later that the secretary-general was looking at a range of proposals for changes that have been accumulating over a decade. Most of these, however, are not plans to slash the organization's staff, which has been cut over the last two years, but rather for restructuring component parts to make them more relevant to the times.

A majority of member states would like to see the power of the Security Council's permanent members reduced, for example, and permanent seats given to developing nations. Such changes are not on the Clinton administration's agenda.

"Governments need to come to an understanding what they want the United Nations to do," Mr. Eckhard said the secretary-general told Mr. Christopher. Agreeing on reforms often requires compromise, and the United States will need to work more closely with others, the UN spokesman said.

"Sometimes, a good leader must also be a good follower," Mr. Eckhard quoted the secretary-general as telling Mr. Christopher, reflecting a cautiously independent approach that Mr. Annan appears to be taking toward Washington.

Away From Politics

• **Confronting issues of life and death,** several Supreme Court justices expressed doubts about granting terminally ill people a constitutional right to doctor-assisted suicide. "You're asking us in effect to declare unconstitutional the laws of 50 states," Justice Anthony Kennedy told a lawyer for doctors fighting the state of Washington's ban. *(AP)*

• **More people in Northern California** were urged to evacuate homes along swollen rivers as damage estimates neared $2 billion and lawmakers were called into special session to deal with the disaster. *(AP)*

• **Fire swept through** Lionel Hampton's 28th-floor apartment in Manhattan after a lamp tipped over, injuring 27 people and destroying mementos of the jazz great's seven-decade career. The 83-year-old musician, who uses a wheelchair, was rescued by two attendants working in his apartment. *(AP)*

• **In an attempt to stem the flight** of businesses to the suburbs, the District of Columbia Council has unanimously voted to reduce employers' costs for unemployment insurance by $8.9 million this year and to lower the maximum weekly benefit for all jobless workers in the city to $309, from $359. *(WP)*

ASIA/PACIFIC

Korean Union Leader Resolutely Faces Jail

New York Times Service

SEOUL — Kwon Young Kil was so busy coordinating the largest work stoppages in South Korean history that he missed his daughter's wedding on Dec. 29. But Mr. Kwon realizes he may not be able to avoid another engagement — a trip to jail.

A former Paris correspondent for a South Korean newspaper, Mr. Kwon, 55, is directing the strike from a plastic tent on the grounds of the Myongdong Cathedral, a major Roman Catholic church in Seoul. In protests and strikes over the years, the cathedral has provided some measure of sanctuary from the police.

Prosecutors on Wednesday put on hold their move to seek arrest warrants for some 30 union leaders, including Mr. Kwon, saying the strikes seemed to be subsiding. Unionists denied the claim.

But prosecutors said they would request arrest warrants for union leaders on Thursday. The announcement came shortly after Interior Minister Kim Woo Suk said the government's only option was to take "firm action" so as to "prevent the strikes from aggravating the already difficult economic situation."

Mr. Kwon, the chairman of the Korean Confederation of Trade Unions, the militant labor group organizing the strike, would be one of those facing arrest for obstructing business and running an illegal strike.

"I'm not worried," said Mr. Kwon, who was arrested two years ago in connection with his labor activities. "I know it will happen."

The strike began Dec. 26 in protest of new labor legislation that would make it easier for companies to lay off workers and would make some union activities more difficult.

The government says that $1.4 billion has been lost in production, and exports have been cut by $244 million since the strike's inception, at a time when the Korean trade deficit is already ballooning and economic growth is slowing.

Mr. Kwon said the strikes would continue until the law was repealed, a step that he conceded was not likely. But he said the government could take a step to resolve the situation by entering talks with his confederation.

"If the strike is hurting the economy so seriously, the president must try to talk to us," Mr. Kwon said. "But not only the president but all other government officials have reiterated that they will not meet with our leaders."

President Kim said that labor law must be modernized, and that the ironclad South Korean tradition of lifetime employment was too inflexible and its history of "habitual strikes" too damaging to competitiveness.

Mr. Kwon acknowledged that workers can be laid off in the United States and many other countries, but he said that those countries provide unemployment insurance and other forms of support.

The government, as a way of resolving the impasse, is getting ready to propose some regulations to protect workers who lose their jobs, but Mr. Kwon said he doubted the measures would be strong enough.

Choo Yoon Kong/Agence France-Presse

Mr. Kwon announcing strike plans.

Unions Plan Partial Return At Hyundai

Compiled by Our Staff From Dispatches

SEOUL — Workers will return to their jobs at Hyundai export plants for limited periods to encourage government concessions on a disputed labor law, union leaders said Wednesday.

The plants will resume partial operation Thursday, with 80,000 workers on strike at Hyundai Motors Co. and 14 other Hyundai plants working at least two hours a day until Tuesday, the unions announced late Wednesday.

Earlier, South Korea's top strike leader issued an ultimatum to the government to scrap a new labor law within one week or face all-out work stoppages, including a public-sector shutdown.

But the chairman of the governing New Korea Party flatly rejected the demand. Another party official suggested the ultimatum was a bluff and predicted strikes would soon fizzle.

President Kim Young Sam is sticking to the new law, which he contends will help pull the nation out of one of its worst economic downturns.

"Our action will give President Kim another chance to think," said Kim Myong Ho, a Hyundai union leader. Workers at Hyundai, the nation's No. 1 car maker, will work six hours Thursday, he said.

Hyundai unions have led the nation's largest organized labor protests, begun Dec. 26, when Mr. Kim's party rammed the labor law through Parliament in a secretive, predawn session, with no opposition members present.

A union spokeswoman denied that the decision to work at Hyundai was a crack in union solidarity. All unions were taking different preparatory measures for next week, she said.

"We discussed it with them, and agreed that we should give time to the president to consider our ultimatum to repeal the law," she said, without saying whether other unions would follow suit.

"Other unions may also return to partial operation," said Choi Myong Ah, an official at the outlawed Confederation of Trade Unions, which is organizing the nationwide strikes. "We want to show the people that we are patient.

"But we also are preparing for the worst and holding our ranks to launch full-blown strikes."

Unions claimed that almost 220,000 members were striking on Wednesday, including about 50,000 car workers, a similar number of metalworkers and 80,000 employees from the Hyundai Group.

The Labor Ministry put the number at less than 65,000. *(AP, Reuters, AFP)*

Break in Weather Gives Japan a Shot at Oil Slick

Compiled by Our Staff From Dispatches

MIKUNI, Japan — Government workers teamed up Wednesday with local volunteers to begin the long task of cleaning up about 100 kilometers of coastline fouled by one of the worst oil spills ever to hit Japan.

They were helped by the first break in the weather since a Russian tanker split in two and started leaking oil on Jan. 2.

The Maritime Safety Agency deployed 14 ships, two planes and four helicopters to try to find patches of oil drifting toward the shore, drop detergent on it and collect it before more of it reached land.

The slicks that have already arrived along once-pristine waterfronts have damaged centuries-old fishing areas and turned the shoreline into areas of black sludge.

But to some local people watching their livelihood slowly destroyed, the tireless efforts of fishermen divers — battling cresting waves of spilled oil by hand, scooping the sludge-laden surf with buckets — were no match for the massive slick.

"I would like some compensation, anything just to keep my family eating," said a 67-year-old fisherman, Tadao Meiji. He predicted the sea urchins and seaweed harvested along the shore would take three or four years to recover.

The worst affected stretch of coast, 330 kilometers (about 200 miles) west of Tokyo, had been considered the best near-shore fishing grounds in the area and has scenic beaches. About 4.2 million visitors come here each year, mostly in the summer.

The spill is already taking its toll on the tourism industry. Officials said that people had begun to cancel reservations after hearing of the spill.

As fishermen passed buckets of oil Wednesday, Coast Guard helicopters dropped chemicals to try to dissolve some of the 3,700,000-liter (962,000-gallon) slick.

Atsushi Tsukada/The Associated Press

A resident passing a bucket of oil on Wednesday near Mikuni, Japan.

Authorities said that there were five major slicks heading for the coast, but that they still had no firm idea of the total amount of oil that could wash ashore.

Russian authorities in Vladivostok said that both ends of the broken tanker were now leaking oil.

Satoshi Horii, 32, an engineer who lives near Mikuni, said it was hard to believe the extent of the damage.

"Who's going to pay?" he said. "The Russians don't have any money so they won't help, and yet they are to blame." *(Reuters, AP)*

Bangladesh General To Be Freed on Bail

Reuters

DHAKA — Bangladesh's former president, Lieutenant General Hussain Mohammed Ershad, was granted bail by the Supreme Court on Wednesday on the last of a series of corruption charges against him.

General Ershad's lawyer, Yusuf Hussain Humayun, said his client would be released Thursday after settling administrative procedures.

General Ershad, who seized power in a bloodless coup in 1982 and was deposed in an opposition-led uprising in 1990, at one time faced 19 corruption charges.

He was granted bail in November in what was the most sensational case against him — the charge of killing Major General Abul Manzur during an army mutiny in 1981. He has been a member of Parliament since June.

Censors in India Reel at Sex In 'Kama Sutra'

Agence France-Presse

NEW DELHI — Indian censors have demanded major changes to a film based on an ancient sex treatise, kindling a debate over whether the country is ready for sex on the big screen.

The Censor Board, a government-appointed moral watchdog, wants all nude scenes deleted from "Kama Sutra," angering the director, Mira Nair, who says the film would then be like "a bird without wings."

"I don't understand this hypocrisy," said Miss Nair, who directed the critically acclaimed films "Salaam Bombay" and "Mississippi Masala."

"My film has been made to counter perversity and obscenity and explore natural sexuality," she added.

But she admitted she "hasn't used any safety blankets" in her film, due to be released in April.

"Kama Sutra" is set in 16th-century India and is a story of sexual jealousy. Newspapers say it contains torrid scenes not normally shown in India.

In a country where kissing on screen was taboo until recently, Miss Nair's film has generated considerable heat.

Sultan Ahmed, chairman of the Indian Motion Pictures Association, said he thought Miss Nair's movie sounded like "those triple X-rated movies."

But the filmmaker Ketan Mehta said he thought the censors should let the people judge.

"Why can't they leave the whole decision to the audience?" he was quoted as saying. "Morality is changing. It is a historical process that cannot be negated."

BRIEFLY ASIA

Manila May Allow Activist's Visit

MANILA — The Philippines will allow the East Timorese Nobel laureate Jose Ramos-Horta to enter the country if the government is consulted before the visit, President Fidel Ramos said Wednesday.

The government said earlier it had denied entry to the self-exiled East Timorese independence activist on the recommendation of a cabinet committee on the basis of "national interest."

"National interest must be served if there is a mutually agreed time to visit, which must be based on some preliminary consultations," he told reporters at his weekly news conference.

The Manila Times said the decision to deny entry to Mr. Ramos-Horta was made to avoid embarrassing Indonesia, a close ally of the Philippines. *(Reuters)*

India to Buy 2 Subs From Russia

NEW DELHI — India plans to import two submarines from Russia and build two more of its own, Indian officials said Wednesday.

"There is a plan to buy two submarines and to build two more locally," a senior official told Reuters.

The Press Trust of India on Wednesday quoted the journal U.S. Defense News as saying India had agreed to a $1.5 million deal to purchase two Kilo-class diesel submarines from Russia. But officials in New Delhi said the deal had not yet been approved by the Indian cabinet. *(Reuters)*

Hong Kong Plans Appeal in U.S.

HONG KONG — Hong Kong is mounting an urgent appeal against a U.S. court's refusal to extradite a fugitive to the British colony because of its impending handover to China, Governor Chris Patten said Wednesday.

U.S. District Judge Joseph Tauro ruled on Tuesday against extraditing Jerry Lui Kin-hong, a former commercial director of British-American Tobacco Co. (Hong Kong) Ltd, to face bribery and conspiracy charges relating to cigarette smuggling.

Mr. Lui argued that he faced possible execution if returned to Hong Kong because his trial was unlikely to be completed before the June 30 handover to China. *(Reuters)*

VOICES From Asia

Fidel Ramos, president of the Philippines, saying he is keeping his options open on whom to endorse as his successor in elections next year: "All of this speculation about who is the 'anointed' — these are all premature and as far as I am concerned unproductive, even counterproductive. I would like to remind all 'wannabes' to look at it in that light." *(Reuters)*

The Netherlander
Your Dutch Intelligence Service

The Netherlander is a comprehensive English-language business weekly about the Netherlands, written especially for the non-Dutch reader who needs and wants to keep abreast of the country's economic and corporate developments.

It is published by the Netherlands' leading financial daily, *Het Financieele Dagblad*, and distributed jointly in the Netherlands with the *International Herald Tribune*, "the world's daily newspaper".

The weekly enables the reader to understand the Dutch business community and issues it faces, without requiring a command of the Dutch language. *The Netherlander* has therefore quickly become essential reading for expatriate staff working in the Netherlands, for foreign-based managers with Dutch operations and for anyone – from equity analysts to risk managers – who needs to know what makes the Dutch economy tick.

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The Netherlander
The business weekly
PUBLISHED BY HET FINANCIEELE DAGBLAD, AMSTERDAM
Distribution in association with the International Herald Tribune

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EUROPE

Are the Turks Turning Their Backs on West?

Ankara Is Frustrated by EU and Greece

By Nicholas Doughty
Reuters

LONDON — Europe and Washington are increasingly worried by signs that Turkey, a vital strategic partner, may be turning away from the West — at a time of growing Greek-Turkish tension over the European Union and the divided island of Cyprus.

Diplomats say a series of meetings will try to assess the risks of a new crisis in southern Europe and just how far

NEWS ANALYSIS

Turkey, frustrated by its relations with the Union, is prepared to change course.

A decision by Greek-ruled Cyprus to buy Russian anti-aircraft missiles has raised the temperature at the worst possible time, as the West pushes for a breakthrough on a United Nations peace plan for the island.

But Turkey, whose troops occupy the northern part of Cyprus, is already bitterly disappointed at the lack of progress in its relations with the 15-nation EU.

Ankara blames Greece for blocking promised EU economic help, although the Union is also concerned about Turkey's record on human rights. Greece can block the aid because it is a member of the EU, while Turkey is not. Both countries are members of the North Atlantic Treaty Organization.

Foreign Minister Klaus Kinkel of Germany said Tuesday that Turkey was turning toward closer ties with its Muslim neighbors.

"Turkey feels that it is wrongly treated by Europe," he said. "How can one hold this against Turkey? Ankara has not profited by one penny from the customs union with the EU because Greece puts the brakes on everything."

Some diplomats say Turkey — an important ally for the West because it borders volatile regions of the Caucasus and the Middle East — might block NATO decisions in retaliation, including the alliance's planned expansion into Eastern Europe.

"There has been talk of the Turks taking a really hard line because of what has happened," a European diplomat said. "The warnings have been there before but there may be reason to take it more seriously now."

The two NATO allies have gone to the brink of war several times, most recently last year in a territorial dispute in the Aegean Sea. Four people also died in a series of clashes between the divided communities on Cyprus last year.

The island has been divided since 1974, when Turkey invaded and occupied its northern third after a coup engineered by the military government that ruled Greece at the time.

Washington and its allies have criticized Cyprus for the planned missile purchase, which they see as a threat to the peace hopes.

The United States announced Tuesday that it would send a senior official to the island this weekend, after U.S. officials meet their European counterparts in The Hague on Friday.

There is much sensitivity over how to tackle the problems between Greece and Turkey, partly because Richard Holbrooke — the U.S. official who negotiated the peace deal for Bosnia-Herzegovina — accused the Europeans last year of failing to deal with them.

European diplomats said the meeting at The Hague would try to ensure that the United States was coordinating its efforts with Europe and continuing to back the UN proposals for Cyprus.

"There is some concern," one envoy said, "that the Americans might be preparing a Holbrooke-style offensive for Cyprus all on their own, and we think that would be counterproductive."

Another meeting, set for Jan. 29 in Rome, will address the broader question of how to handle Turkey.

Ankara has long wanted to join the Union but has received no firm promises, while a string of other countries from the Mediterranean and Eastern Europe have now officially joined the line for membership.

In addition, the Islamic government of Prime Minister Necmettin Erbakan has made efforts in recent months to improve ties with Iran and other Muslim countries. Last weekend, he sponsored a meeting of ministers from eight Muslim countries, aimed at bolstering economic cooperation among them.

Paul Vreeker/Agence France-Presse

DIAMONDS ON GOLDIE — The actress Goldie Hawn trying on a necklace to open a sale at Harrods in London. The chairman, Mohamed al Fayed, right, donated $25,000 to a Hawn-backed cause to protect elephants.

Blair Kicks Off His Campaign 'With Confidence'

The Associated Press

LONDON — Pledging that he had no secret tax-raising agenda, the opposition leader Tony Blair started his campaign Wednesday to become Britain's first Labour Party prime minister in nearly 20 years.

"For the first time in a generation," Mr. Blair, 43, said, "Labour goes into a general election with real confidence."

His appearance on a platform emblazoned with the slogan "Leading Britain Into the Future" followed the beginning Monday of Prime Minister John Major's campaign, which polls indicate the Conservative government will lose.

The election must be held by May, when the Conservatives' fourth successive term expires. But Labour, hoping to topple the government with a no-confidence vote in Parliament within weeks, is pressing for an earlier election.

Mr. Major, who lost his parliamentary majority in December, is holding out for a spring election.

He hopes in a highly personalized campaign to persuade blue-collar and middle-class voters that a Labour government would revert to socialist-style policies of high spending and high taxes.

In contrast, Mr. Blair said: "There is no single spending commitment here anywhere in our proposals that require increases in personal taxation. That whole Tory case is a lie."

Under Mr. Blair, a youthful-looking, telegenic leader who took over in 1994, the left-of-center Labour Party has completed a 10-year shift away from its old socialist policies.

The party is doing well partly because Mr. Blair has so far succeeded in reassuring many middle-class voters about taxes.

He said improvements in health and education could be funded largely by a giant windfall tax on highly profitable utility companies, once state-owned and sold by the Conservatives.

On Britain's souring relations with the rest of the European Union, another big problem for Mr. Major, Mr. Blair said the Conservatives were "being pushed ever more towards a position of withdrawal from Europe."

Robin Cook, set to become foreign secretary if Labour wins, said, "It is the Labour Party which offer the country a government which can do business with Europe."

Mr. Major's problems in resisting closer integration of the Union are compounded by the fact that other EU leaders expect him to be out of office before June, when a new treaty for the Union is expected to be concluded.

An opinion poll published Wednesday in The Guardian showed Labour 17 points ahead of the Conservatives. The poll of 1,201 voters had a margin of error of about 3 percentage points.

IRA Asserts It Seeks Peace, but Reaffirms Goal of United Ireland

Agence France-Presse

DUBLIN — The Irish Republican Army insisted late Wednesday that it was committed to "a just and lasting peace" in Northern Ireland but reaffirmed its commitment to a united Ireland.

In a New Year's message in Thursday's edition of An Phoblacht-Republican News, the weekly newspaper of the IRA's Sinn Fein political wing, the IRA claimed it sought peace.

The statement, issued in the same week the IRA fired a rocket at a Belfast courthouse sentry post and a mortar at a Londonderry police patrol, repeated its responsibility for ending a 18-month cease-fire last February with a bomb in London.

"We remind John Major and his government that the opportunity for a lasting peace created by our initiative 18 months earlier had been gradually strangled to the point of extinction," the statement said, "long before our decision to resume military operations." The statement also commended those who, "despite British bad faith," continued to try to negotiate.

Austrian Coalition Split Over Sale of Bank

Reuters

VIENNA — Cracks in Austria's feuding government coalition widened Wednesday in a dispute over how to privatize the country's second-biggest bank, exposing deep divisions between the chancellor and his foreign minister.

The sale of Creditanstalt-Bankverein has led to a split between the Social Democrats of Chancellor Franz Vranitzky and the conservative People's Party, led by Foreign Minister Wolfgang Schuessel. The deepening conflict prompted both party chiefs to agree to convene an emergency session of coalition leaders on Monday — the first time the committee will have met since a general election in December 1995.

That election was called after the same coalition collapsed after failing to agree to cuts in a huge budget deficit to prepare Austria for Europe's planned economic and monetary union.

Mr. Vranitzky, opening a conference of Social Democrats in the southern town of Bad Tatzmannsdorf, made it clear that his party would not be pushed around over the privatization.

He said the choice of a bidder for the bank was solely the decision of Finance Minister Viktor Klima, a Social Democrat.

"I stress again, it is Klima's decision," the chancellor said. "We are not going to be bullied into a decision."

Pope Plans His Longest Visit to Poland

Reuters

WARSAW — Pope John Paul II will pay a grueling 11-day visit to his native Poland from May 31 to June 10, the Polish government information office said Wednesday.

It will be the 76-year-old pontiff's sixth and longest trip to his homeland since his election in 1978. He will travel to 12 towns in the west and south, and will take a two-day break in the ski resort of Zakopane.

The Pope is also due to meet with President Aleksander Kwasniewski and with Prime Minister Wlodzimierz Cimoszewicz.

The trip is likely to be an emotional experience for the pontiff, whose visits home before the fall of communism in 1989 heartened those struggling for democracy. His last visit, for one day, was in May 1995.

It also falls amid fierce campaigning for general elections late this year in which the ruling former Communists face a strong challenge from a new right-leaning alliance headed by the pro-Catholic Solidarity trade union.

Religious issues play a key role, especially because the government late last year eased a strict anti-abortion law, despite protests.

Crewman On Balloon Saves Day For Branson

By Malcolm Browne
New York Times Service

NEW YORK — Hopes to be the first balloonists to make a nonstop voyage around the world were dashed Wednesday for the three crewmen of a British balloon — one of whom the entrepreneur Richard Branson — when its loss of lift forced them to land in the Sahara after less than a day aloft.

When the balloon began to lose altitude, the crew members tried to maintain height by throwing out ballast and then heavy objects, but to no avail. When they tried to jettison an external fuel tank, they found it had jammed, and one of them, Alex Ritchie, wearing a parachute, climbed outside the crew capsule and freed the tank.

"We owe a debt of gratitude to Alex," said Mr. Branson, the captain of the team, after the balloon landed in the Algerian desert. "He saved our lives."

None of the crew members were injured in the landing, and the valuable crew capsule, packed with expensive equipment, escaped serious damage. The project director for the flight, Michael Kendrick, said in London that the cause of the failure had not been determined.

Two other balloon teams, one Swiss and one American, are preparing their own attempts to fly around the world, with prospects of launching this weekend. Despite the discouragement of unremitting failures by many aeronauts during the past decade, long-duration balloonists with the necessary financial backing of many millions of dollars continue to vie for the last great goal of lighter-than-air aviation: a nonstop circuit of the globe.

Bertrand Piccard, a Swiss psychiatrist and co-captain of the Breitling Orbiter balloon, said Wednesday that he and his fellow pilot, Wim Verstraeten, expected to launch their balloon from Chateau d'Oex, Switzerland, on Sunday. An American contender, Steve Fossett, expects to launch his balloon about the same time from Busch Stadium in St. Louis, Missouri. Mr. Fossett, unlike his competitors, will fly alone in an unpressurized crew capsule. In an attempt he made last year, he was forced to land after flying from South Dakota to eastern Canada.

BRIEFLY EUROPE

Madrid Attacks Bear ETA Signs

MADRID — An army officer was shot and killed Wednesday shortly before three civilians were wounded in a car explosion, attacks that bore the hallmarks of the armed Basque separatist group ETA.

Lieutenant Colonel Jesus Cuesta Abril was shot twice in the head as he got out of his car in front of his home, Spanish television reported. He died soon afterward in a hospital. Less than an hour later, the police said, three unidentified civilians were wounded when a car bomb exploded a short distance from where Colonel Cuesta, 49, was killed.

"It has all the signs of being an ETA attack, although it is too early to be confirmed," said Madrid's mayor, Jose Maria Alvarez del Manzano. *(AP)*

Athens to Send Suspect to Berlin

ATHENS — Greece plans to extradite a German woman in connection with a 1986 disco bombing in West Berlin that killed three people and wounded 200, mostly U.S. military personnel, Justice Ministry officials said Wednesday.

The woman, 31-year-old Andrea Hansler, was arrested in October in Halkidiki near the northern port city of Salonika at the request of German authorities. *(Reuters)*

Bulgaria Gets New Leader

SOFIA — Coalition allies of Bulgaria's governing Socialists approved Interior Minister Nikolai Dobrev as prime minister to replace Zhan Videnov, who resigned last month, a party spokesman said Wednesday.

Mr. Dobrev, nominated by the Bulgarian Socialist Party on Tuesday, said: "I will be ready to discuss with all political forces the problems of the economy and social order. I plan to carry out radical economic reforms that will bolster economic growth." *(Reuters)*

EU Gets Tough on Compliance

BRUSSELS — European Union states that fail to comply with rulings from the European Court of Justice will face multimillion-dollar fines under a system adopted Wednesday by the EU's executive arm, the European Commission. The move, using powers outlined in the Maastricht treaty, represents growing frustration in Brussels at the 15 member states' foot-dragging over national implementation of legislation adopted at European level.

Problems are most acute in single-market and environmental issues. A recent report from the commission to EU governments said only 56 percent of the measures envisaged by the 1985 Single European Act had become law in all EU states. *(AFP)*

Bern Might Add to Holocaust Fund

Reuters

ZURICH — The Swiss government may bolster the size of the Holocaust memorial fund it proposed in a gesture of goodwill demanded by Jewish organizations, an authoritative Bern political source said Wednesday.

A statement issued by the Swiss cabinet Tuesday deliberately left open the door for adding government money to a planned fund drawing on about 40 million Swiss francs ($29.6 million) in dormant Swiss bank accounts, the source said.

Jewish leaders, who have pressed Bern to make restitution for alleged Swiss profiteering from the Holocaust, had assailed the cabinet proposal for proposing other people's abandoned bank accounts rather than Swiss public funds.

But the Federal Council, or cabinet, included wording in its statement that would allow a quick payout of federal funds if Bern's current research confirms charges of Swiss wrongdoing toward Jews and other Nazi victims, the source said.

"This sentence doesn't mean much to most people, but this is a very important sentence," said the source, who declined to be named.

The sentence in question reads: "Should substantiated facts be found that require immediate action, even while the investigation process is under way, the Federal Council will immediately take the necessary steps.

"This also applies to different demands regarding damage payments that have recently become ever more vocal," the official statement added.

Switzerland gave 1 million francs (about $739,000) last year to the Auschwitz memorial and a counseling group for Holocaust survivors in a gesture of reconciliation after apologizing for a wartime policy of turning back Jewish refugees from Nazi terror.

A Jewish source close to the talks said in New York that Bern had been receptive to a Jewish proposal for a financial gesture to Holocaust victims and that a Swiss representative had proposed the $250 million figure.

Groups led by the World Jewish Congress have suggested the Swiss make a good faith financial gesture soon, notably before the issuance of a report in two to five years by historians investigating Swiss financial dealings with Jews and Nazis during World War II.

The Bern source said this point would be stressed in talks with Jewish leaders, who last week threatened to call a boycott of Swiss banks.

The wording of the statement meant the cabinet could decide on Holocaust payments even before interim reports emerge from the panel of nine Swiss and foreign historians commissioned by the government last month, the source added.

'Mad Cow' Disease on Decline, Swiss Report

Agence France-Presse

BERN — Switzerland reported 45 cases of "mad cow" disease in 1996, down from 68 the previous year, and expects the toll to fall further in 1997, the Federal Veterinary Office said Wednesday.

"In 2000, bovine spongiform encephalopathy should be consigned to history," said a spokesman, Karl-Heinz Mueller. He added, however, that the appearance of the disease last year in seven animals born in the three years following a December 1990 ban on the use of animal carcasses in cattle feed was "embarrassing."

Switzerland, which has counted a total of 230 "mad cow" cases, embarked this week on a plan to slaughter at least 1,500 head of cattle by the end of February, Mr. Mueller said. After Britain, Switzerland has been the country worst affected by bans of beef exports.

Waigel Calls Hiring of Foreign Workers 'Grotesque'

Reuters

BONN — Germany's conservative Christian Social Union, casting aside fears about inflaming racist sentiments, called Wednesday for stricter limits on foreign workers as part of their new strategy to cut unemployment.

Finance Minister Theo Waigel, chairman of the Bavarian sister party to Chancellor Helmut Kohl's Christian Democrats, said it was "grotesque" that millions of Germans were unemployed while so many foreigners worked here.

Michael Glos, parliamentary leader of Christian Social Union, said the system was at fault if more than 4 million Germans were jobless while more than a million foreigners received work permits each year. Unemployment was 10.3 percent in November.

"It should be legitimate to look at ways to make sure Germans get the jobs," Mr. Waigel said in an interview with the daily Sueddeutsche Zeitung.

The Christian Social Union, the most right-wing of Germany's mainstream parties and a junior partner in Mr. Kohl's coalition, has long been noted for its conservative views.

But the Bavarians and other major parties have long refrained from directly linking high unemployment levels to the 8 million foreign residents, in part because they want to avoid being accused of fomenting racial unrest.

They have been especially careful since xenophobic violence erupted in Germany in the early 1990s.

"It is schizophrenic that we give so many jobs to foreigners each year only because Germans don't want to do this work," Mr. Waigel said. "German employers keep telling us they need, for example, seasonal workers from Poland. I call that grotesque."

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INTERNATIONAL

Chirac Defends Army

President Scorns Critics of Retaliation For Killings of 2 Soldiers in Bangui

By Craig R. Whitney
New York Times Service

PARIS — Criticized by the Socialist opposition here for ordering retaliation for the killings of two French soldiers in the Central African Republic by anti-government mutineers in that country, President Jacques Chirac on Wednesday staunchly defended his army's reaction.

"No one should count on France's not reacting when its soldiers are assassinated," Mr. Chirac told government ministers, heaping scorn on critics of the decision to strike back.

The two French soldiers were killed Saturday night in Bangui while escorting African mediators to a meeting with leaders of the mutiny, the third in the impoverished, landlocked former French colony in the past year.

French troops based in Bangui struck back at the insurgents' headquarters Sunday night, killing 10 of them, and turning over 30 others to the government of President Ange-Felix Patasse, France's Defense Ministry said.

Mr. Chirac's critics worried that France had thereby taken sides and could be drawn into a civil conflict it had no business getting involved in.

But since French paratroops helped depose the country's first postcolonial leader, the Emperor Jean Bedel Bokassa, in 1978, the worry appeared somewhat beside the point.

More than 2,000 French troops have been permanently stationed in the Central African Republic since it achieved independence in 1960, using it as a jumping-off point for military interventions elsewhere and enabling France to fulfill the vocation it sees for itself as a world power, at least on the continent of Africa.

"This isn't a country, it's just a dependency," wrote Patrick de Saint-Exupery, a correspondent of the pro-French daily Le Figaro, from Bangui after the fighting died down. "Here, France is everything. Officially, no one will admit it, but some fictions are deliberately preserved, and Central Africa is one of them," he informed his readers.

France also has defense agreements providing it with military bases in seven other African states — Gabon, Senegal, Ivory Coast, Togo, Cameroon, Comoros and Djibouti — and has about 10,000 troops deployed.

Foreign Minister Herve de Charette insisted this week that France had no intention of interfering with mediation efforts in the Central African Republic that were begun by leaders of other French-speaking African countries after the latest mutiny began last month.

Mr. Chirac met with African heads of state in Ouagadougou in early December and urged "better governance" on them then.

France also led calls then for an international military expedition to protect refugees from Rwanda and Burundi who were camped out in eastern Zaire from the fighting that was spreading there. Canada agreed to lead a force, but the operation was called off after many of the refugees went home by themselves, driven along by the rebel forces in Zaire.

French officials accused the United States of foot-dragging in the preparations for intervention in Zaire, and American and European skeptics voiced suspicions that the real French aim might have been simply to prop up the regime of Zaire's ailing president, Marshal Mobutu Sese Seko, who returned to his country last month after undergoing extensive treatment for cancer in France and Switzerland.

About 1,000 French troops came to his aid in an earlier rebellion in 1991 and 1992, and French forces intervened in Rwanda to end the ethnic slaughter there in 1994. Now, with anti-Mobutu rebels in control of much of eastern Zaire, the daily Le Monde reported Tuesday that a former chief of the French presidential security guard, Colonel Alain Le Caro, was in Zaire putting together a force of French and other European mercenaries to prop up Marshal Mobutu's forces in the embattled east.

After denials by French officials and Colonel Le Caro himself, the newspaper backed off that report Wednesday.

Despite the frictions with Washington over the proposal for intervention in Zaire, the Foreign Ministry in Paris was evidently quite pleased by support from the State Department spokesman, Nicholas Burns, for the French retaliation against the mutineers in Bangui.

U.S. officials also had thanked the French in May for protecting American civilians in that capital during one of the two earlier mutinies last year.

Michel Lipchitz/The Associated Press

CHEERS — Pamela Harriman, U.S. ambassador to France, chatting with President Jacques Chirac at a reception Wednesday in Paris.

Arafat Rejects Proposal For Israeli Pullout in '98

The Associated Press

JERUSALEM — Yasser Arafat on Wednesday angrily rejected an Israeli compromise proposal to complete a West Bank withdrawal in 1998, a year earlier than initially proposed by Prime Minister Benjamin Netanyahu.

Dennis Ross, the U.S. special envoy, presented the compromise to the Palestinian leader in what an Arafat aide described as an "extremely tense" six-hour meeting that lasted until early morning.

At the same time, a helicopter waited outside Mr. Netanyahu's Jerusalem office, ready to fly the Israeli leader to the Gaza Strip if Mr. Ross had been able to persuade Mr. Arafat to accept the offer and pave the way for a summit meeting.

Mr. Ross has been trying to arrange a second meeting between the two leaders — the first was held secretly Sunday night — so they could finally conclude agreement on Hebron and further West Bank withdrawals.

Mr. Netanyahu offered May 1998 as the new target date, a Palestinian official said on condition of anonymity.

But Mr. Arafat insisted that the Israeli withdrawal from most of the West Bank be completed by September 1997, as stipulated in the 1995 peace accord signed by Mr. Netanyahu's predecessors.

"The talks have hit a serious crisis," Nabil Abourdeneh, an Arafat spokesman, told the Voice of Palestine radio. "The Israelis are threatening the peace process by making such proposals."

■ Israeli Strike Reported

Israeli warplanes twice raided suspected Hezbollah guerrilla targets in southern Lebanon on Wednesday night after Katyusha rockets hit northern Israel, security sources said, according to a Reuters report from Nabatiyeh, Lebanon.

The planes fired five rockets into Iqlim al Toufah ridge, controlled by the pro-Iranian guerrillas. Earlier, one Israeli soldier was killed and four wounded in a clash with guerrillas in Israel's southern Lebanon occupation zone.

The Islamic Resistance Movement, Hezbollah's military wing, said in a statement that its guerrillas "foiled an infiltration attempt by an Israeli commando force across the Litani river, near the enemy position in Deir Sirian."

There was no immediate word on casualties in the air strikes.

Before the raids, pro-Israeli militia sources said several rockets fired from south Lebanon slammed into the western Galilee and 12 rockets hit the Israeli-held zone in an area near the border.

Israel Used Troops in Drug Experiments

The Associated Press

JERUSALEM — The Israeli Army forced soldiers to take experimental drugs in the 1970s, Israeli radio reported Wednesday.

The army confirmed that it had been testing drugs on recruits since the 1970s, but did not respond to charges that the soldiers were forced. Testing continues to this day, the army said, but on a voluntary basis.

Two drugs that were tested on troops have since been banned, Israeli radio said.

The army said the records of the experiments from the 1970s and 1980 no longer existed.

Alex Shamir, a soldier conscripted to the armor corps in 1971, told Israeli radio that he and other recruits were forced to take pills three times a day and that officers made sure they swallowed them.

"After a week to 10 days we felt as though everything in our bodies was changing," he told the radio. "We could hardly sleep at night." He said they suffered diarrhea, vomiting and a total loss of appetite, and that he once became so ill that he fell off his tank and took months to recover.

The drug tested on Mr. Shamir's unit was one of the two subsequently banned, the radio said.

Brigadier Yehoshua Shemer, surgeon-general of the army, confirmed Wednesday that draftees had been used in medical experiments but said that participation now was voluntary. He said that participants must now sign consent forms and that their records were available to them. Dr. Shemer said all experiments carried out now are approved in advance by the Helsinki Commission on human rights.

In the latest experiment, carried out on recruits during basic training, 30 percent chose not to take part, he said. Two months after the test the soldiers were examined for side effects, and none were found, he said.

An Israeli legislator, Alex Lubovsky, said he would propose a special committee to oversee such experiments.

Mobutu Will Return to France on Thursday

The Associated Press

KINSHASA, Zaire — Less than a month after coming home to face a rebel uprising and other political crises, President Mobutu Sese Seko will return to France on Thursday.

The departure, which was confirmed by the marshal's press secretary, Lumbana Kapasa, raises questions about Mr. Mobutu's health and the severity of the prostate cancer that kept him in Europe from August until Dec. 17, two months after the start of the rebel war.

The press official did not give a reason for Marshal Mobutu's departure or say how long he would be gone. He returned to Kinshasa only after rebels had run the Zairian Army out of key eastern cities and announced their intention to topple the president.

The army's humiliation prompted protests in the capital, in which demonstrators demanded the government's ouster and accused Marshal Mobutu's prime minister of not giving the military the support it needed to fight the rebels.

Marshal Mobutu, 66, came home to a tumultuous welcome Dec. 17 and said he had ignored doctors' advice to stay in the hospital, saying he returned to Zaire to deal with its problems. He quickly appointed a new army chief and formed a so-called crisis government, which included several new cabinet ministers but retained Prime Minister Leon Kengo wa Dondo.

The changes have had little effect on the war with the rebels, who have captured six major towns and a gold mine.

Suicide at Eiffel Tower

Agence France-Presse

PARIS — A woman jumped to her death from the Eiffel Tower on Wednesday, her body remaining stuck half way down, forcing rescue works to climb the structure to retrieve it, officials said.

The woman, who was in her 50s and worked at the Paris landmark, jumped from the second level of the tower.

Her body became entangled in the metalwork near the first level at 58 meters.

More than 350 suicides have been recorded from the 320-meter tower since it opened in 1889.

Algeria Police Step Up Effort To Prevent Another Bombing

Compiled by Our Staff From Dispatches

ALGIERS — Security forces sealed off a district of the Algerian capital on Wednesday to deal with a suspected car bomb a day after a murderous blast in the same area.

But despite rumors to the contrary, there had been no repeat of the Tuesday explosion, according to various sources.

As tensions in the capital remained high after a series of attacks by Muslim extremists, the security services sealed off Clos Salembier, the district hit by the Tuesday blast, to deal with a suspect car. It was not known, however, if the vehicle contained a bomb.

The blast on Tuesday in the center of the capital killed seven people, official sources said, while an independent newspaper reported a death toll of 20. Around 100 people were injured.

Dozens of civilians have been killed in a recent upsurge of violence in the country.

The independent El Watan daily reported that the terror campaign was being orchestrated by a man named Farid Hamani, the city's new chief of the extremist Armed Islamic Group.

The newspaper added that a total of 17 bombs had been defused by the security forces in different areas of the capital in the three-day period lasting from Dec. 30 to Jan. 1.

The newspaper Liberte reported that the security forces had intercepted a Fiat loaded with explosives in the Birmandreis area of the capital on Tuesday.

El Watan said Mr. Hamani had warned in a New Year's Eve statement that the guerrillas had prepared about 50 bombs to be detonated in Algiers.

Liberte said he had also been behind two bomb attacks late in December in the Algerian capital in which at least 18 people died. *(AFP, AP)*

DENG: *A Summing Up?*

Continued from Page 1

"There has been no big change."

If he can hold on, Mr. Deng is less than six months away from seeing the realization of one of his major achievements: the return of Hong Kong to mainland Chinese control on July 1. Mr. Deng often voiced his determination to visit Hong Kong for the handover, when meeting with visiting foreign leaders, some of whom were unsure whether to take him seriously.

That trip may not be possible now. Zhang Baifa, a deputy mayor of Beijing, said recently of Mr. Deng that although "for an old man, he is doing relatively well," it could be dangerous to transport him anywhere because in his condition, simply catching a cold could be very serious.

In the past, so much in China has depended on the rule of one man, and Mr. Deng assumed power at such a late age — he was 74 when he consolidated power in 1978 — that his health was long a matter of supreme interest to those who follow politics in Beijing. The city's political elite has often excitedly passed around news of Mr. Deng's death, greatly exaggerated each time.

Mr. Deng formally retired from his last official position in November 1989. But because he continued to exercise broad authority in the years afterward, reading large-type documents at home and scribbling instructions in the margins, it has never been clear to outsiders exactly when he retreated fully from power.

His slow and gradual withdrawal has benefited Jiang Zemin, president and Communist Party chief, and the successor Mr. Deng chose just weeks after the Tiananmen crackdown on dissidents in June 1989. Mr. Jiang has gradually asserted himself with more authority in recent years, and appears to have blocked rivals from directly challenging him.

The potentially cataclysmic power struggle once expected to follow Mr. Deng's death now seems unlikely, for the transition of power to a new generation of leaders has already taken place, calmly and quietly.

Iraq Blames Tehran for Bomb Attack

Reuters

BAGHDAD — Iraq said Wednesday that three mortar bombs fired at the Baghdad headquarters of an Iranian opposition group killed one person and wounded several others, and blamed Tehran for the attack.

"At 10:20 P.M. yesterday night three mortar bombs were fired against the headquarters of the Iranian Mujahidin Khalq organization near al Andulis square in Baghdad," an Iraqi Interior Ministry source said in a statement to the Iraqi News Agency.

"The authorities concerned have started an investigation of the attack to capture the criminals and all indications show that the Iranian regime is involved in the terrorist attack," INA quoted the source, who also said one person died, as saying.

■ Baghdad Cites 2d Spy Ring

Iraq announced Wednesday it had dismantled an espionage ring working for Israel and would broadcast the confessions of the "traitors," Agence France-Presse reported.

It was the second time since President Saddam Hussein's eldest son, Udai, was wounded in an attack Dec. 12 that Iraq announced it had smashed a spy ring.

YELTSIN: *President Is Hospitalized With 'Signs' of Pneumonia*

Continued from Page 1

service said that Mr. Yeltsin was in bed but did not have a high temperature. "No visit to the Central Clinical Hospital is planned," the press service said.

Kremlin officials said then that they saw no need for calling a special meeting of Mr. Yeltsin's doctors. The president was shown briefly on television earlier this week, standing stiffly and shaking hands with aides.

Mr. Yeltsin underwent the quintuple coronary artery bypass in Moscow. His recuperation had appeared to be going smoothly, and he returned to the Kremlin on Dec. 25. Aides prepared a series of meetings and announcements designed to demonstrate that he was back in action after a long period of drift.

Several doctors, including the distinguished Houston surgeon Michael DeBakey, who helped advise the Russian team on Mr. Yeltsin's surgery, had urged him to rest and not rush his recovery.

[Dr. DeBakey said Wednesday that he expected a quick recovery by Mr. Yeltsin from what he said was likely a case of the flu, Reuters reported from Houston. "I expect him to be all right, and I would say that in a matter of three days to a week you're going to see improvement" and he will "probably leave the hospital," Dr. DeBakey said in an interview on CNN.]

Renat Akchurin, who led the team of surgeons that carried out the operation, said earlier Wednesday that he did not think the president's cold was related to his recovery from the heart bypass.

Mr. Yeltsin's decision to undergo heart bypass surgery, which he announced publicly on national television, marked a watershed toward more openness about his health. Earlier this year, he and his aides had gone to great lengths to mask the seriousness of his problem.

In late June, Mr. Yeltsin dropped out of sight because of what officials described as a cold and laryngitis. In fact, doctors later admitted he had undergone a mild heart attack, his third in less than two years.

■ White House Comments

In Washington, the White House press secretary, Michael McCurry, said: "We don't have independent confirmation of those accounts" about pneumonia.

He said Russia had reported that Mr. Yeltsin had the flu. "We don't have anything beyond that officially communicated to us on his condition."

SERBS: *Major Opposition Victory Allowed*

Continued from Page 1

a leader of the opposition reached by telephone in Nis. "This decision is a clear admission by the government that it carried out fraud during the vote in 13 voting stations. This is one small step forward in our drive to get the government to honor the election results in Nis and the rest of Serbia."

Nis, a bleak industrial town where huge state factories lie nearly idle and unemployment runs about 50 percent, is where the daily street protests began. It has proved the most militant city in the country, and opposition leaders in Nis have built what the government views as a dangerous alliance with local police and military commanders. Military officers in Nis, for example, guard city installations in civilian clothes most nights, and protesters in the city are applauded by the soldiers as they walk past the barracks. Opposition leaders in the city praise the work of the local police officials, whom they describe as "friendly and helpful."

The official news agency Tanjug, which acts as the mouthpiece of the Milosevic government, said Wednesday night that, following a Justice Ministry inquiry ordered by the president late last month after a meeting with students from Nis, it has been determined that the opposition had taken control of the city.

"On the basis of documents inspected by the Justice Ministry, the Zajedno political organization won 37 seats, the Socialist Party of Serbia 32 and the Serbian Radical Party one seat in Nis local council," Tanjug said.

Opposition leaders in Nis, however, said that the Socialists had only won 16 seats in the November vote, with 41 for the coalition, one for the Radical Party and that 12 remained in dispute.

HEALTH: *Third World Is Losing Battle Against Malaria as the Death Toll Escalates*

Continued from Page 1

ally be saved if they get prompt treatment. But in the Third World, well-trained doctors are scarce.

Drugs are normally used to treat malaria, although drug-resistant strains are becoming a problem, especially in Southeast Asia. In addition, mosquitoes are emerging that are resistant to ordinary insecticides, and, together, they make a ferocious combination: super mosquitoes armed with drug-resistant super malaria.

But the situation is far from hopeless. A new drug called Malarone has done very well against malaria in clinical trials, both as a treatment and as a preventive, according to data made public at a recent international conference. Experts also argue that with time and money, a successful vaccine can probably be developed.

Until then, experts say, the best approach is simply to keep mosquitoes from biting people. The anopheles mosquito, the variety that carries malaria, tends to bite after dark. Several recent studies have suggested that sleeping inside a mosquito net impregnated with insecticide can reduce malaria sharply.

For now, however, the impregnated nets are not widely available in street markets of developing countries, and the insecticide has to be reapplied at least once every year. A more fundamental problem is that many people cannot afford even ordinary mosquito nets, which cost $5 or $10.

"We have no blanket, no medicine, and not enough food to eat," said Soy Phal, 31, a Cambodian who is herself feverish with malaria and whose husband died of the disease three years ago. "How can I afford a mosquito net? I spend my life being sick, so I have no time to earn money to get a mosquito net."

Development economists note that malaria and other tropical maladies create a cycle in which disease hinders economic development and thereby sustains the disease.

Nhem Yen, a Cambodian villager, has one small mosquito net. She has five children and two grandchildren in her little hut. Every evening, she must figure out which children sleep outside the net and risk death.

"It's very hard to choose," Mrs. Nhem Yen said. "But we have no money to buy another mosquito net."

Malaria remains a medical catastrophe in part because it does not get much in the way of resources. Only about $85 million a year is spent globally on malaria research, about half as much as is spent on asthma research.

Money for research is meager largely because the disease primarily afflicts poor people, and Western drug companies doubt that Third World villagers would be able to pay much for a new malaria vaccine even if it was developed.

Another reason malaria is the exception, a disease that is killing more people than three decades ago, rather than fewer, is that it is difficult to imagine a more vexing adversary than the mosquito.

It is only the female mosquito that bites — to get blood to nourish its eggs — and that is when it transmits diseases. The mosquito does not itself catch malaria or yellow fever or encephalitis or the many other ailments that it can carry.

Malaria parasite cells multiply in the infected person's liver and cause severe fevers with hot and cold chills. The patient can fall into a coma, have seizures, or suffer from anemia, kidney failure, or rupture of the spleen.

Experts are learning some tidbits about mosquito habits: they are finicky, often preferring animal blood; they like dark colors; they are drawn to sweat; they respond to hormones and avoid menstruating women. Above all, mosquitoes are enormously adaptable to new threats and environments, where they bring diseases with them.

Some entomologists worry that global warming may expand the habitat of the anopheles mosquito. The World Health Organization has warned that a result may be anopheles mosquitoes living in places like the southern United States and southern Europe, and an extra 80 million cases of malaria annually by the end of the next century.

Malaria has cropped up recently in parts of the former Soviet Union, and it now is endemic in 91 countries.

Malaria itself is not such a deadly threat when it strikes people who are healthy and rich. But in the Third World, few people are healthy to start with, and they lack the resources to buy mosquito nets, to drain swamps, and even to get simple treatment that saves lives.

Mrs. Karega, the Tanzanian woman who fears for the life of her 15-month-old toddler, said a nurse at a rural clinic told her to take him to the district hospital, where a doctor could perhaps save him.

Mrs. Karega had worked out the cost of the trip and the doctor's fees, searching for a way to gather the money, and concluded, "We just can't afford that."

The amount is equivalent to $16.65.

Malaria Drug Shows Promise

Reuters

BOSTON — U.S. Army researchers may have found a vaccine for the deadliest form of malaria, according to a report in Thursday's issue of the New England Journal of Medicine.

The strain, known as plasmodium flaciparum Malaria, kills more than 2 million people a year, the World Health Organization says.

The researchers said that in tests on seven volunteers who were injected with three doses of a drug called RTS,S, and then exposed to infected mosquitoes, only one developed malaria. In contrast, all 6 control subjects and 12 of 15 volunteers who were given different formulations of the drug got the disease.

The research team, at the Walter Reed Army Institute of Research in Washington, warned that more studies were needed to weed out some of the drug's side effects, to determine if its protection was long-lasting and to see if it worked as well in the field as it did in this small study.

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AN OPEN LETTER TO HELMUT KOHL

Chancellor of the German Federal Republic

December 1996

Dear Chancellor Kohl:

We have signed this letter to indicate our deep concern at the invidious discrimination against Scientologists practiced in your country and by your own party. We are not Scientologists, but we cannot just look the other way while this appalling situation continues and grows.

In the Germany of the 1930s, Hitler made religious intolerance official government policy. Jews were at first marginalized, then excluded from many activities, then vilified and ultimately subjected to unspeakable horrors.

The world stood by in silence. Perhaps if people had spoken up, taken a stronger stand, history would tell a different story. We cannot change history, but we can try not to re-live it.

In the 1930s, it was the Jews. Today it is the Scientologists. The issue is not whether one approves or disapproves of the teachings of Scientology. Organized governmental discrimination against any group on the basis of its beliefs is abhorrent even where the majority disagree with those beliefs.

And, when individuals hold personal beliefs that they consider their religion, it is not the place of a democratic government to proclaim by fiat that they are not a religion in order to evade laws against religious discrimination. Besides, the German courts have held more than once that Scientology *is*, in fact, a religion.

Individuals guilty of no crime but believing in Scientology are banned from German political parties, including your own. Scientologists cannot obtain employment by your government or contracts with that government. Children have been excluded from schools because their parents are Scientologists. Your Minister of Labor proposed the adoption of a ban on Scientologists from all positions of public service. And – like the book burning of the 1930s – your party has organized boycotts and seeks to ban performances of Tom Cruise, John Travolta, Chick Corea and any other artist who believes in Scientology.

These acts are intolerable in any country that conceives of itself as a modern democracy. This organized oppression is beginning to sound familiar ... like the Germany of 1936 rather than 1996. It should be stopped — now, before it spreads and increases in virulence as it did before.

You may feel that, as non-Germans, this is not our business. But today's World is a smaller, different place. We are far more dependent upon one another. When a modern nation demonstrates its unwillingness to protect the basic rights of a group of its citizens, and, indeed, exhibits a willingness to condone and participate in their persecution, right thinking people in other countries must speak out. Extremists of your party should not be permitted to believe that the rest of the World will look the other way. Not this time.

Those who seek to gain political power or to indulge personal hatreds by repeating the deplorable tactics of the 1930s cannot be permitted that luxury. This time voices will be raised.

We implore you to bring an end to this shameful pattern of organized persecution. It is a disgrace to the German nation.

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John Calley
Sanford R. Climan
Constantin Costa-Gavras
Bertram Fields
Andrew M. Fogelson
Larry Gordon
Goldie Hawn
Barry Hirsch
Dustin Hoffman
Alan Horn
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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Mischief in the House

After his re-election as speaker, Newt Gingrich was full of contrition and promises of bipartisan cooperation. But by immediately ramming through a measure shutting down the work of the House ethics committee before it can complete its work, he and his Republican allies immediately betrayed the spirit that he said he would try to create in the 105th Congress.

In a breathtaking display of political servility, Representative Nancy Johnson, Republican of Connecticut, who heads the ethics committee, has gone along with a shameful parliamentary maneuver aimed at burying two years of work by her own committee.

The Republican actions are turning the entire ethics process into a travesty. First Mr. Gingrich's allies refused to put off the election of the speaker until after the ethics committee recommends a punishment for him for bringing discredit to the House. Now that he has been re-elected, the Republicans have set a deadline requiring that the subcommittee investigating him go out of business on Jan. 21, even though its special counsel, James Cole, says he cannot complete his work by then.

Two Republican members of the ethics subcommittee on the Gingrich case, Porter Goss of Florida and Steven Schiff of New Mexico, agreed that they and Mr. Cole needed more time to finish their work. But Ms. Johnson caved in to the Republican leadership and agreed to truncate the ethics process. With this move, the Republicans thereby mimicked the kind of devious behavior for which they have criticized the Clinton White House in the Whitewater and fund-raising scandals. By resisting fair inquiry, Mr. Gingrich and the Republican leadership are creating an indelible suspicion of wrongdoing.

Behind the Republican maneuverings is an important fact to remember. On Dec. 21, the speaker in effect agreed to a plea bargain in which he accepted the subcommittee's finding that he had reported "inaccurate, incomplete and unreliable information" to the ethics committee about a course he taught at colleges in Georgia. The courses were portrayed as nonpartisan, even though the evidence showed that they were part of the Republican election machinery to take control of Congress. Before it can vote on the penalty for Mr. Gingrich, the House needs to examine the evidence that led to that conclusion.

If Ms. Johnson cannot rearrange the ethics committee's schedule or the vote in the House to give Mr. Cole enough time to complete his report, her reputation as a leader on congressional reform will be irreparably destroyed.

The next session of the House is scheduled for Jan. 20, the day of President Bill Clinton's inauguration. If the ethics issues are still not resolved, Democrats and the handful of Republicans who have not sold out to the Gingrich protection effort must try to give Mr. Cole and the ethics committee enough time to complete their work. Only after it has been completed can there be a fair vote on punishment.

Mr. Gingrich crowed on Tuesday that he was the first Republican speaker to win re-election in almost 70 years, but the high ground of principle that he once occupied as a House reformer is only a dim memory now. This is not a day that will be well remembered in the annals of his party or the House.

—THE NEW YORK TIMES.

Gulf War Mystery

During the Gulf War six years ago, 148 Americans were killed in combat — an amazingly low number given the scope of the war prosecuted by 697,000 U.S. troops. Yet after the war thousands of Gulf War veterans fell ill, with unexplained symptoms ranging from memory loss to debilitating fatigue to joint pain and skin rashes. Many veterans believed that their Gulf service caused these illnesses. Many also complained that the Defense Department did not take their suffering or their suspicions seriously enough.

A balanced and sober report from the Presidential Advisory Committee on Gulf War Veterans' Illnesses has now shed some light on both aspects of the veterans' complaints. The committee, which presented its final report on Tuesday, concluded that many veterans are indeed suffering from illnesses "likely to be connected to their service in the Gulf." But the committee did not find evidence of a single syndrome, nor of any single cause. It suggested that stress will likely turn out to be a major contributing factor.

For the most part, the committee endorsed the government's handling of Gulf War veterans and their illnesses. The continuing research program is mostly sound, and veterans are receiving appropriate treatment, it said. But it also found that the Defense Department at times has been "patronizing and dismissive of veterans' concerns."

The most serious example of such official misbehavior involves the government's repeated denials that any U.S. troops could have been exposed to chemical weapons, denials that were retracted only last summer after relentless prodding by the committee, congressional critics and veterans themselves. Now the Pentagon has admitted that thousands of troops likely were exposed to low levels of nerve gas or other chemical weapons.

"Regrettably, [the Pentagon] did not act in good faith in this regard," the presidential committee concludes. It was not just an honest mistake. Defense Department investigators "had knowledge of documents" suggesting chemical weapons exposure long before the Pentagon's public admissions, and official analyses "have lacked vigor, fallen short on investigative grounds and stretched credibility."

The Pentagon officials' arrogance in this matter was insulting not only to veterans. Research on possible effects of low-level exposure to chemical weapons that could have started years ago is only now getting under way. And if, as many credible experts predict, the chemical weapons exposure turns out not to be the cause of Gulf War illnesses, many veterans now will be reluctant to believe even legitimate evidence to that effect.

President Bill Clinton has asked committee chair Dr. Joyce Lashof and her colleagues to continue serving in order to oversee Pentagon activities. They bring a welcome credibility to the process. Even so, the government has a long way to go to recover its credibility.

—THE WASHINGTON POST.

Caution in the Skies

Two singularly horrible air crashes in America in 1996 — each one still unfinished business when it comes to definitive findings by investigators — raised public concerns about safety aloft to new, healthy altitudes. The scrutiny is pushing the federal government to re-examine policies, tighten up its inspection act and require new equipment that should have been mandatory for all commercial aircraft all along. The question now is whether the Federal Aviation Administration, coming under new management, will maintain the momentum. Safety requirements that in the past were deemed too expensive deserve fresh reviews.

This does not and should not have to mean that the requirements be linked to the troubles of ValuJet Flight 592 or TWA Flight 800. And it does not constitute any admission or formal finding that air travel is less safe today than it has been; in fact, statistics can be cited to demonstrate that air travel is safer than ever. But it is also mass transit now, with more flights, more new airlines and more sophisticated findings of what can cause troubles in flight.

The whole business of contracted work — the failure to find out that 144 oxygen generators loaded on the ValuJet flight were mislabeled "empty" and that the paperwork on them was inaccurate as well — needs far tighter oversight. Fire safety, too, should be high on the list for action, including re-examinations of materials used for cabin interiors, fire detection equipment requirements for cargo planes as well as passenger airliners, and better emergency oxygen mask/smoke goggle equipment for cockpit crews.

Linda Hall Daschle, who has been acting administrator of the FAA, notes that it has been drawing on the lessons of 1996 to make changes, including intensifying regulation of newer carriers, banning oxygen generators as cargo and enforcing tighter conditions on contract work. This new activity must not be allowed to flag. The years ahead are sure to bring more traffic in the skies.

—THE WASHINGTON POST.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

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Economic Reform and Safety Nets Go Together

By Bimal Ghosh

GENEVA — The occupation of the Japanese ambassador's residence in Lima is an act of terrorism that deserves unqualified condemnation. But it is a reminder of the malaise that now grips most of Latin America as the continent rides the waves of economic reform.

One of the Peruvian guerrillas' aims is to protest against "neoliberal economic policies and violation of human rights." Such groans of protest are increasingly heard in Latin America.

In Mexico, for example, the local priest in a scrubby hill town was recently reported as saying that 90 percent of the people "support the revolutionary guerrillas in their heart." If the government did not act soon, said the priest, this place would explode.

The 1980s were a lost decade for Latin America. The early 1990s looked different, as countries took to economic reform one after another. Market liberalization, privatization and fiscal and monetary prudence gained pace, and democratic regimes were once more widely embraced. Things looked more cheerful for a while.

Inflation, which impinges so harshly on the poor, was brought under control, production increased and trade flourished, boosting economic growth.

Despite these impressive gains, new economic liberalism has failed to strengthen the foundations of stable society. Many economic reforms have meant loss of jobs, bankruptcies, withdrawal of state subsidies and increasing economic insecurity. Even in Argentina and Brazil, where income distribution may have improved slightly, there has been no real dent in poverty.

The number of Latin America's poor today is twice what it was 40 years ago. In several countries, increased flows of foreign funds have added to the volatility of stock markets and fueled greed and corruption among the affluent.

At their recent Santiago summit, Latin American leaders expressed concern about the rising popular resentment in the region and the imminent threats it poses to further economic reforms and democracy.

Latin America is not alone in this dilemma. Countries in South Asia, in Africa and to some extent in Eastern Europe that have embraced rapid economic reforms and market liberalization have the similar problems. The challenge for all is to combine market-driven growth with social justice.

The search for harmonization of the two is not new. When the benefits of economic growth in the developing countries in the 1960s did not trickle down to ordinary people, economists were puzzled.

Things became worse in the 1980s, when austerity was imposed on debt-ridden developing countries under monetary and financial stabilization measures and, subsequently, structural adjustment programs, sponsored or supported by the International Monetary Fund and the World Bank. Low-income groups were the hardest hit.

Since then, international financial institutions and governments have become more sensitive to the overriding need to lessen the pains and hardships that these programs, however essential, often cause to ordinary people.

An extreme doctrine of economic liberalism that relied on the market as the final arbiter between profit-making and social interests gained political primacy in the Thatcher-Reagan era of the 1980s. Lately it has come under critical reappraisal.

It is sad, though, that economists, no less than policymakers, are still not sure about how best to blend reform-related economic efficiency and distributive justice into a coherent strategy.

Three main points ought to be clear. First, in nonegalitarian society economic reforms cannot be left exclusively to market forces and ruthless competition, but need to be managed and guided by laws and socially accepted codes of behavior.

Second, the social cost of economic reform must be shared fairly by different income groups.

Third, poverty alleviation should be built into the reform process. Safety nets should be extended to the needy as a way of empowering them to participate in the economy and contribute to it.

Economic reformers need to remember that reform cannot make much headway in the face of rising popular disenchantment with the liberalization process. Equally important, anti-poverty lobbies must recognize that without overdue reform, economic stagnation will seriously curb efforts to improve the conditions of the poor.

The writer, a former director in the United Nations development system, is a consultant to international organizations. He contributed this comment to the International Herald Tribune.

In a Changed World, Military Doctrine Has to Change as Well

By Jim Hoagland

WASHINGTON — Veering along the erratic orbit it has pursued since the extinction of global communism, the hermit government of North Korea threatens war one day and embraces peace the next. These wild oscillations are the death rattle of a regime that admits defeat but is uncertain how to end its agony.

Pyongyang's latest moves indicate that the regime may prefer to go out of business on a whimper, not a bang.

In late December, it suddenly apologized for sending a spy submarine into South Korean waters in September, and then accepted Washington's long-standing demand that talks about ending conflict on the peninsula include Seoul.

If sustained, these concessions point to a major diplomatic triumph for Bill Clinton and his advisers, who endured sharp criticism for sending fuel and food aid to North Korea after Pyongyang agreed in 1994 to freeze its secret development of a nuclear arsenal.

But the significance of regime-ending change is much broader. The potential evolution of North Korea into a non-threat alters the strategic basis of U.S. military policy globally, as elaborated by Colin Powell at the end of the Cold War.

The United States has maintained a military establishment of about 1.5 million men and women and an annual budget in the $250 billion to $300 billion range since the Berlin Wall came down. The U.S. force structure has remained constant even as ex-Warsaw Pact nations beg to become members of NATO and Russia's military machine has come apart at the seams.

The stated reason for keeping military readiness this high has been that America must be able to fight and win two near-simultaneous major regional conflicts — the "2 MRC" strategy, in Pentagon shorthand. The United States was to be able to deter North Korea from attacking the South, even if America was engaged in putting Iraq or Iran back in its Gulf box.

It was a brilliant device for doing the necessary while not saying the obvious. America's armed forces continued in fact to be structured to fight Russia if it again became an aggressively hostile nuclear superpower. The 2 MRC strategy was above all an insurance policy, taken out against Russia but explained in terms of Iraq and North Korea, a senior U.S. commander acknowledged to me some months ago.

President Clinton simply renewed the global insurance policy in his first term. But events in North Korea, ex-Yugoslavia and Russia suggest that in his second term he must answer two questions he could defer until now: What capabilities are needed by the world's only military superpower to confront steadily declining global and regional threats? And what strategy explains how those capabilities will be used?

Communism is obviously no longer a mobilizing force either globally or regionally. The final legacy of its failure, in war and in peace, is on display in Belgrade and Pyongyang.

Yugoslavia and North Korea kept their governments, military commands and economies out of Soviet control and adapted each to local conditions. But the Communist regimes that led these two maverick satellites are now crashing.

China's Leninist gerontocracy still poses a regional threat to U.S. interests. And North Korea still has the capability to go out bloodily. But America faces a less threatening world than it did when General Powell drew up the post-Cold War military insurance policy. Adjustments should be made in U.S. strategic posture to reflect that changing reality.

Which adjustments? A glimpse of some of them can be seen in a new paper written for the Rand Corporation by three leading U.S. defense thinkers: Robert Blackwill of Harvard, Arnold Horelick of Rand and ex-senator Sam Nunn.

Entitled "Stopping the Decline in U.S.-Russian Relations," the paper identifies the priority task as dealing with Russia's continuing weakness through diplomacy rather than fresh military spending. Without creative American initiatives, particularly on NATO expansion, the authors fear that the more peaceful world now seemingly within grasp will elude us again. Then we will need all the insurance we can buy.

The Washington Post.

The Euro? A Foolish Plan That Could Do Harm All Around

By Robert J. Samuelson

WASHINGTON — Europe's plan to create a single currency, the euro, by 1999 is a lunatic idea. It is bad for Europe and may be bad for America and everyone else.

At year-end 1996 the unemployment rate for the 15 nations of the European Union exceeded 11 percent. But what ails Europe has nothing to do with its multitude of currencies. After all, the same currencies existed in 1970, when unemployment averaged 3 percent.

Europe suffers from an obsession with economic security that translates into economic stagnation. It overregulates industry. High wages and payroll taxes penalize hiring. The European Monetary System fixes exchange rates and forces countries to adopt Germany's high interest rates.

The argument is that the requirements establishing the euro would force countries to make reforms that would revitalize their economies. These requirements mandate that countries reduce their budget deficits to 3 percent of GDP, have a national debt of no more than 60 percent of GDP, and maintain low inflation and stable exchange rates.

Although seductive, the logic won't wash. If all Europe's countries met these requirements, it is questionable whether their economies would surge. Excessively restrictive taxes, regulations, labor practices and welfare programs would not necessarily be affected.

But many European countries won't meet the requirements any time soon.

The requirements almost certainly will be relaxed, then. If they are not, the single currency will never replace more than a few national currencies. And that would defeat the project's central purpose, which is more political than economic. That aim is to foster a European identity — a step toward more "unity" — through the symbolism of a continental money.

The idea is plain foolish. Euromoney won't turn Belgians and Italians into "Europeans" any more than rubles changed Chechens into Russians.

No matter. France regards a single currency regulated by a single European central bank as a way of subordinating Germany's economic power to a larger European will. Germany views the single currency as another symbolic disavowal of World War II and of the danger that it might again try to dominate Europe.

Says C. Fred Bergsten of the Institute for International Economics: "The Europeans have a bicycle theory of integration" — it's got to go forward or it falls over.

Why should Americans care? One reason is that, in trying to make their new money succeed, the Europeans might trigger global protectionism.

"The majority European view is that the euro is going to be a weak currency," says Mr. Bergsten. If so, its exchange rate would drop against the dollar. European imports would become cheaper in America, and U.S. exports would be more expensive. Europeans hope that the devaluation would revive their economies.

It probably would not, because 60 percent of Europe's trade is within Europe and would not be affected. But the currency depreciation might fan U.S. protectionism, as imports surged and exports stagnated.

Not all Europeans want a weak euro. The Germans especially prefer a "strong" currency, with little inflation. To achieve that, Europe's new central bank might have to maintain high interest rates to convince skeptical multinational companies and foreign-exchange traders to hold their new money. High interest rates in turn might further depress Europe's economy. The consequences could be more social unrest and protectionism.

A single currency (the dollar) works in the United States because wages are flexible and workers are mobile. Europe lacks these advantages. Wages are rigid, and workers stay put. The French do not migrate en masse to Germany.

One way for countries to offset differences in competitiveness is through flexible exchange rates. A single currency would eliminate this possibility.

The fixed-exchange-rate system of the EMS shows how this can hurt countries. It partly explains the contrast between Britain and France. France fixes its exchange rate and has unemployment of 12.7 percent. Britain does not and has unemployment of 7.9 percent.

The great potential tragedy here is that the single currency probably would backfire politically. It would spawn disunity. Europeans would quarrel over who was to blame for the single currency failing to meet unrealistic expectations. There would be disillusion with the larger idea of Europe. That, too, would be bad for Americans. A weakened, resentful Europe would not make the partner America needs in the 21st century.

U.S. officials ought to stop treating the project with a respectful silence and express the skepticism it deserves. Otherwise, the only hope is that the Europeans will come to their senses. The single currency is an economic version of the Maginot Line. Like the euro, it was a grand delusion.

Newsweek.

What's Going On in Damascus?

By Thomas L. Friedman

WASHINGTON — On Dec. 31 a bomb exploded on a bus in Damascus, killing 11 people and wounding 42 others. An official Syrian statement accused Israel of plotting the attack, but the Syrians offered no proof for such a wild allegation, which Israel denied as "sheer nonsense."

The fact that Syria accused Israel, a very serious allegation, reflects a nervousness that things are just not going Syria's way. Syria seemed to be trying to make a last-ditch effort to undermine the pending Hebron deal between Israelis and Palestinians.

To say that Israeli agents blew up a bus in Damascus is another way of saying that it is open season for terrorists to undertake reciprocal actions against Israel. It is also a way of making life difficult for Yasser Arafat in the Arab street. "You, Arafat, are going to sign another peace deal with an Israel that blows up Syrian civilians?"

But the Syrian allegation against Israel also might be designed to divert attention from a suspicious trail that leads through Damascus right back to the June 25 bombing of the U.S. barracks in Dhahran, Saudi Arabia, in which 19 Americans were killed.

According to Arab press reports and other sources, one of the suspects sought by Saudi Arabia in the bombing, Jaafar Chueikhat, "committed suicide" while in Syrian hands. Mr. Chueikhat's movements have become part of a behind-the-scenes drama involving Saudi Arabia, Syria and Iran.

A Saudi Shiite, Mr. Chueikhat is suspected by the Saudis of being involved in the transport from the Syrian-controlled Bekaa region in Lebanon to Saudi Arabia of explosives used in the bombing. After the Dhahran incident, the Saudis tracked him from Kuwait to Cairo to Syria. When the Saudis approached the Syrians to arrest him, the Syrians reportedly told them he had already fled to Iran.

The Syrians apparently even gave Saudi Interior Minister Prince Nayef ibn Abdulaziz a letter stating that Mr. Chueikhat had gone to Iran. Sources say that when the Saudis confronted the Iranians with this letter, the Iranians insisted that Mr. Chueikhat had never come to Tehran.

The Syrians arrested Mr. Chueikhat in mid-September (supposedly after he returned from Tehran), and on Sept. 17 he reportedly killed himself in a Syrian jail, before the Saudis could interrogate him. The Saudis asked the Syrians to show them his passport to see if he did travel to Iran, but it has not been turned over.

Meanwhile, more funny business between Saudi Arabia and Tehran: Late last month, Prince Nayef denied Western press reports indicating that Saudi Arabia had concluded that Iran was behind the Dhahran bombing. A few days later, after Iran trumpeted the Nayef statements as evidence that Iran had been cleared, Prince Nayef declared: "I have neither denied nor confirmed any outside connection to the bombing." Translation: Iran and Syria are still suspects. And both are clearly nervous about that.

The United States is still studying the Saudi data on the Dhahran bombing. Since the Muslim holy month of Ramadan begins this week, no U.S. military action would likely take place until Feb. 10 at the earliest (if ever).

U.S. officials believe that Mr. Chueikhat did die in Damascus. What they are not sure of is whether he died by his own hand (unlikely) or was killed by Syria at Iran's behest, or was killed by Syria to cover its own tracks.

Maybe all the Saudi evidence pointing to Syria or Iran is designed by Saudi Arabia to point fingers at outsiders, when this whole affair is really an uprising by disaffected Saudis. Maybe. But maybe not.

The new secretary of State, Madeleine Albright, should not set foot in Damascus until she ascertains exactly what happened to Jaafar Chueikhat — a suspect in the murder of 19 Americans.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: English Primate

LONDON — The new Primate of All England, Dr. Temple, was formally enthroned in Canterbury Cathedral. About four hundred clergymen attended in their robes, headed by a dozen bishops and other ecclesiastical functionaries. The Archbishop was conducted to the ancient marble chair, and the Archdeacon administered to him his oath upon the Holy Gospel, after which the Dean, the residentiaries and the ministers of the church formally promised obedience to the Archbishop.

1922: Vilna Plebiscite

PARIS — The plebiscite to decide whether the town and province of Vilna shall be included in Lithuania or Poland drew a large electorate although the result of the voting is not yet known. Poland's claim to Vilna was raised by General Zeligowski, who seized this town in 1920, after the Poles had repelled the Bolshevist invasion. He refused to withdraw from there, and the League of Nations arranged the plebiscite. Vilna was originally a Polish city until the end of the 18th Century, when it was taken by Russia in the partition of Poland and incorporated in Lithuania.

1947: Grand Welcome

ANKARA — Amid splendid Asiatic pomp, King Abdullah of Transjordan was welcomed to Turkey and greeted by President Ismet Inonu. The visit, expected to culminate in a treaty of friendship, appears to be one more step in a careful Turkish program to build close relations with the Arab world. The King refused to comment on the old Turkish-Syrian dispute over Hatay Province, which the Turks got in 1938 from the French mandate administration.

OPINION/LETTERS

Gingrich Should Send A Big Check to Taxpayers

By Michael Graetz

NEW YORK — Re-electing Newt Gingrich as speaker was the House Republicans' business. It was a political matter.

But what he has done to taxpayers for his own political purposes is America's business.

When President Bill Clinton and the Democrats were caught taking improper contributions from foreign donors during the campaign, they returned more than $1 million. Since Mr. Gingrich has essentially acknowledged that he used money from tax-exempt foundations to finance partisan activities — the equivalent of taking political contributions from the U.S. Treasury — the American people should get their money back.

Mr. Gingrich has acknowledged using two tax-exempt foundations, the Abraham Lincoln Opportunity Foundation and the Progress and Freedom Foundation, to finance a videotaped lecture series at two tax-exempt colleges and a series of partisan broadcasts on cable television.

> ***It is the American people who really paid for the speaker's political activities.***

The main advantage of charitable entities is that donors can deduct gifts to them, whereas donations to political groups are taxed.

Thus, if a donor's tax rate was 33 percent, he would have been able to give $150 to one of the "charitable" foundations with no more out-of-pocket cost than if he had given only $100 to GOPAC, Mr. Gingrich's political action committee.

Because such tax deductions increase the government's need to borrow, Mr. Gingrich's extra money really came from taxpayers. The contributions might have earned some investment income before they were spent, so he also would have avoided paying taxes on the dividends.

Using a tax-exempt educational organization to sponsor partisan efforts also makes it possible for a politician to raise funds from nonpolitical charitable foundations.

Contrary to what Mr. Gingrich's supporters say, the tax laws forbidding charities to sponsor partisan and personal political activities are hardly obscure. The Internal Revenue Service and the courts can easily distinguish between organizations devoted to partisan politics and nonprofit groups such as the American Red Cross, which sometimes invite politicians to speak at events and to sit on their boards.

It is not unreasonable to expect a politician as savvy as Newt Gingrich to have known the rules. Nor is it unreasonable to expect that the director of the Abraham Lincoln Opportunity Foundation, Howard H. (Bo) Callaway Jr., a former congressman whose family has run tax-exempt charitable enterprises for decades, would know of such restrictions.

Mr. Gingrich's arrangement went on for years. The tax deductions probably added up to hundreds of thousands of dollars. Unfortunately, taxpayers cannot use legal means to get financial restitution for Mr. Gingrich's lapses because the statute of limitations has run out on many of these improper deductions.

So the public, as well as the Republican leadership, should insist that he repay the U.S. Treasury.

Mr. Gingrich and his foundations and supporters should pay not only the taxes they saved over the years but also the standard interest that other taxpayers are assessed when they underpay and the fees for an independent accounting company to figure out how much is owed.

And unless he can prove that his actions were truly just an oversight, they should pay the penalties the tax code imposes for "intentional disregard of rules and regulations."

In his apology to the House, he called this "a controversy which could weaken the faith people have in their government." He can begin to restore that faith only by repaying the Treasury.

The writer, a law professor at Yale, was deputy assistant secretary of the Treasury for tax policy in the Bush administration. He contributed this comment to The New York Times.

Andrew Lloyd Webber is inducted into the House of Lords.

LETTERS TO THE EDITOR

Serbian Protests

Regarding "Echoes of '89 Aside, Milosevic Looks Safe" (Dec. 17):

This article asserts that the protests in Belgrade are different from those in other Eastern European cities in 1989 because communism in those capitals was not homegrown. What about Russia, where communism has fallen despite its "homegrown" nature?

It also suggests that the demonstrations are not enough, and that ordinary Serbs still support Mr. Milosevic. But over a quarter of a million people have taken part in the protests in Belgrade recently. This is an extraordinary number of people, especially in a city with a population of only about 1.2 million.

The article goes on to say that Serbs will (and perhaps should) continue to tolerate President Slobodan Milosevic because "Serbia was an aggressor in this war" in the Balkans and that "almost everyone has been compromised by the war except the people who left." While well-intentioned, the observation that Serbs need to reassess their role in the war is irrelevant. Germans have also had to come to terms with their roles in World War II, but they certainly did not need to do so under Hitler's rule.

Over the past few years Mr. Milosevic has proven that he is an extremely canny politician. Alternately embracing and rejecting his Serbian brethren in Bosnia, Mr. Milosevic showed that he was a master of using war for political gain. Mr. Milosevic is not only cynically immoral, he has also been pointed out as a candidate for prosecution for war crimes at The Hague. The moment it became clear that he might be prosecuted he applied his considerable talents to the Dayton peace accords.

Mr. Milosevic's days are numbered. During these crisis-filled days the international community needs to do all it can to support the protesters. Mr. Milosevic should be treated as a pariah. It should be made clear to him that if he does not step down, and step down soon, he too can be prosecuted as a war criminal.

Mr. Milosevic has proven willing to lie and cheat to prevent the opposition from gaining power at even the local level. And it is frightening to think what he might do to hold on to power in presidential elections: he has already proven his willingness to engage in war to maintain his hold on the country. He is clearly not above fomenting conflict elsewhere in what is left of that country to whip up nationalist fervor and stifle protest.

The international community should seize the opportunity, stand by the protesters, and nudge Mr. Milosevic from power before he is tempted to try his "war card" again.

ERIC BECKETT WEAVER.
Budapest.

Throughout the Balkans conflict the press has trotted out the same simplistic line: Serbs are blood-thirsty monsters; Bosnians are ravaged martyrs. Now, the same Serbian people the press has consistently slandered as "fascists" and "warmongers" are being lavished with praise simply because they are railing against Slobodan Milosevic. Double standard?

RORY YEOMANS.
Zwickau, Germany.

Pop Culture's to Blame When Young Don't Learn

By Jane K. Strauss

WASHINGTON — As those of us who run America's public schools try to teach children to learn more and display more civic virtue, we need the rest of the community to help out wherever it can.

These days, one of the best ways to help is to set high standards of conduct for the world those children inhabit — in other words, to help youngsters come to school ready to listen, behave and work hard.

MEANWHILE

One of the most frustrating battles we face in the public schools is getting children to talk and behave better than their favorite film, rock or rap stars. We would be grateful if today's "civil libertarian" brigades had a greater understanding of how pop culture harms education.

When teachers have to deal with students who speak or behave abusively, precious time is taken from the task of teaching math, science or history. I can't speak to whether profanity-filled music and videos laced with sex and violence cause adolescents to commit crimes, have early sex or behave badly in other ways. What I do know is that students who are exposed to a heavy dose of pop-culture coarseness do not arrive at school ready to learn.

Schoolteachers too often find themselves at cross purposes with the Time Warners and Calvin Kleins of the corporate culture, whose lawyers talk constantly of the right to free expression. But teachers have a duty to teach, and parents a duty to protect children from a debased cultural environment.

It's time the word "adult" were affixed less often to the word "content" and more often to the word "duty." That is why I thank the discount-store chain Wal-Mart for its courageous decision not to sell music that fails to meet reasonable community standards of taste. And I would applaud the video-rental chain Blockbuster or any other retail video outlet that refused to rent movies that are not edited to remove gratuitous vulgarity or violence.

Some commentators have accused Wal-Mart of censorship and philistinism for refusing to sell the old records of the foul-mouthed comedian Lenny Bruce. But we're not talking back-to-the-1950s here: Do they really know what's in the music racks these days? Over the span of just two generations, America's adolescent culture has gone from uptight to down-and-dirty.

These civil libertarians should step out of their generational cement and realize that the content of "free speech" today is very different from what they recall from their young-adult days.

It's also time to insert teachers and parents into the debate over television violence. The latest proposal would do nothing more than give ratings, similar to those for movies, of a program's profanity, sex and violence. Efforts to give parents more — real control over the levels of language, sex and violence their children can watch — have been resisted by industry lobbyists and their "civil libertarian" friends.

For a child, freedom of cultural choice can and must fit within adult (by which I mean grown-up) outer bounds. Wal-Mart's music rules enable parents to grant freedom to their children to buy anything they wish, for themselves or as gifts for friends, without anybody's having to decipher the lyrics or second-guess their child's choice.

The same principle applies to other forms of retailing. If a major department-store chain declared that it would no longer sell major lines of children's clothing that use sexually suggestive advertising (or that promote clothing that is not appropriate for school), that, too, would make many a parent's job — and many a teacher's job — a little easier.

The writer is a Democratic member of the Fairfax County (Virginia) School Board. She contributed this comment to The Washington Post.

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BOOKS

OVER THERE

By Kyle Jarrard. 284 pages. $21. Baskerville Publishers Inc.

Reviewed by Ginger Danto

IT is the novelist's challenge to shape the slippery imagination and bring to order the many mental noises that, once ascribed to characters, may offer a coherent story. Left unstructured, inspiration affords but a chaotic concert of events, uneasily distinguished as narrative.

In his first novel, "Over There," Kyle Jarrard, an editor at the International Herald Tribune, offers up elements of a good story, for the myriad vignettes that make up his book are often evocative, pithy, original. These parts, however, just as often fail to weave together, remaining separate, as so many scenes awash in a continuum that owes its beginning and end only to the covers. Jarrard says as much: "Don't you understand this haphazard, scrapbook style yet? There is nothing here but the parts. Add as you will, but the sum could be zero."

But somehow is it small comfort to know that the writer knows what he is doing. To know that free-form thoughts fueling the text belong to deliberately indistinct voices, so that however we might follow one, we lose it amid the words of another. To know that the constant jostling between the distant and recent past confuses, along with a similarly dispersed geography between points in France, Mexico and rural Texas.

Now remarkably poignant, now prone to cliché, the style has the same uneven quality of its content, achieving an unfortunate consistency. Indeed in this choppy memoir in the guise of novel, the challenge falls to the reader, and it is one of simple comprehension.

As a clue, "Over There" acknowledges its structure as metaphor for its writer's condition: muddled, with a mind prey to unruly memories and a heart to unsorted sentiment. Writing is intended to assuage, with this book the means to such end. That still leaves the need for subject, spottily gleaned from the teller, an American expatriate not unlike Jarrard. His name is Marc and he makes his living coming up with the quick splashy answers to quiz show questions, answers typically heralded by whistles and bells, absurd arbitrary answers lost in the cacophony of television showtime. These graceless sounds knock against Marc's brain in mid-composition or at rest, the way people are unassailably haunted by their jobs while doing other things, their workday preoccupations drowning out the din of everyday life. The avowed "quiz show king" needed a vacation, and at the time of this book's writing, he is spending it outside Paris in the company of his wife and their two children — one just born.

But is not clear that a month in the country, with all the attendant family ritual around a newborn, will be relaxing. An observant father, Marc is not above observing the nuisance of children. A seasoned husband, he resignedly reads the estrangement in his own marriage as the result of habit, of the dulling quotidian his novel's protagonists seek variously to escape. He describes one's existence as "years pinned like a dry insect to a board and covered with glass." As antidote Marc has his book, labeled nevertheless a desperate act in one of the asides that brings the action around to the ostensible present. "And where does desperation get you?" he asks in mock quiz format. "Nowhere, except maybe to this point in the story."

By then we have learned that the idea for the story occurred after an encounter with an elderly stranger rekindled in Marc intense memories of his paternal grandfather, Ansel Gifford. It seems the Texas-born Ansel, once widowed and lured abroad to live with his married daughter in France, disappeared one autumn into Mexico, perhaps even died there. Marc's father, Henri, went looking for Ansel at the behest his wife, distraught as a matter of course, but especially, albeit reasonably, regarding her absent father. A wry, spontaneous sort, Ansel when given voice remembers without fondness the hostage of another's home. Not one for the tyranny of tiny comforts (handles in his bathroom, a card table in his bedroom), Ansel managed to flee, making of his final hour what his caretakers quietly feared most: a mystery.

Marc recalls the details via partly inebriated accounts from Henri, who followed Ansel to a postal address in Patzquaro and onward, through an itinerary that might serve as plot were it not heavily spliced by other passages: Ansel's daughter fretting by the telephone, Marc revisiting the scene of his brother's suicide, domestic squabbles, conspiring whores, secondary characters, all whose disjointed disclosure dilute the linear logic of any of the lives concerned.

Without transition, these scenarios seem as unconnected as dreams that punctuate intervals of otherwise opaque sleep. Marc offers his analogy: "Writing his one-month book, in bits and pieces strung out all over creation, he resembles a man who fishes with several lines at the same time, straining to maximize the catch."

What matters then is not the outcome of the story, but what he has captured along the way, for examined openly memories lose their menace, becoming, over time, mere anecdote. "To what end does a man explore the past, or reinvent it?" Marc asks early on. For once, the quiz wizard allowed himself the luxury of a long answer. In all fairness, he might just be out of practice.

Ginger Danto is a writer who lives in Paris.

BRIDGE

By Alan Truscott

IT has long been an article of faith among duplicate players that computer deals are markedly more distributional than "normal" deals generated by humans. They are right about that, but wrong in concluding that there is a flaw in computer dealing. It is, we now know, the "normal" deals that are abnormal.

This was recently proved by two Englishmen, Harry Freeman and Len Salmon who studied 334 duplicate deals played in an English club over several months. In an article in the October 1996 issue of Bridge Magazine, they wrote that they had found that the hands were far flatter, and so far less distributional, than computer deals, which better conform to theoretical expectations.

Human dealing reduced the chance of a pre-emptive opening by more than 25 percent. Similarly, the chance of a bad split in a suit was greatly reduced. The chance of picking up a 4-4-3-2 hand was greatly increased.

The explanation is that the deck a human dealer picks up is rarely truly random, whether the game is duplicate or social. If the deck has just been used in play, it is arranged in a manner that tends to equalize the distribution and the shuffle will not produce a random situation. A distinct improvement is one that is forbidden by the laws of the game: deal the cards into five groups, and then distribute the fifth hand until each player has 13 cards.

The diagramed layout was a computer deal in a 1996 British selection event and South, opening four hearts, was John Holland. In six hearts doubled, he received the opening lead of the ace of clubs, an error: a trump lead was indicated, and would have been decisive.

South ruffed in dummy, cashed the spade ace and ruffed a spade. He then led the queen of clubs, which offered some chance of pinning the jack or ten in the East hand, and when West covered with the king, dummy ruffed.

Another spade ruff was followed by a club ruff and a third spade ruff. Now the trump ace was cashed, and a trump was conceded to East's queen. East was down to four diamonds, so the dummy came back to life. The diamond ace and the established spade took care of South's two remaining clubs, so the doubled slam was made.

NORTH
♠ A J 6 5 2
♡ K 6 3
◇ A 8 7 5 4
♣ —

WEST
♠ Q 10 7 4
♡ 7
◇ Q J 9 2
♣ A K J 7

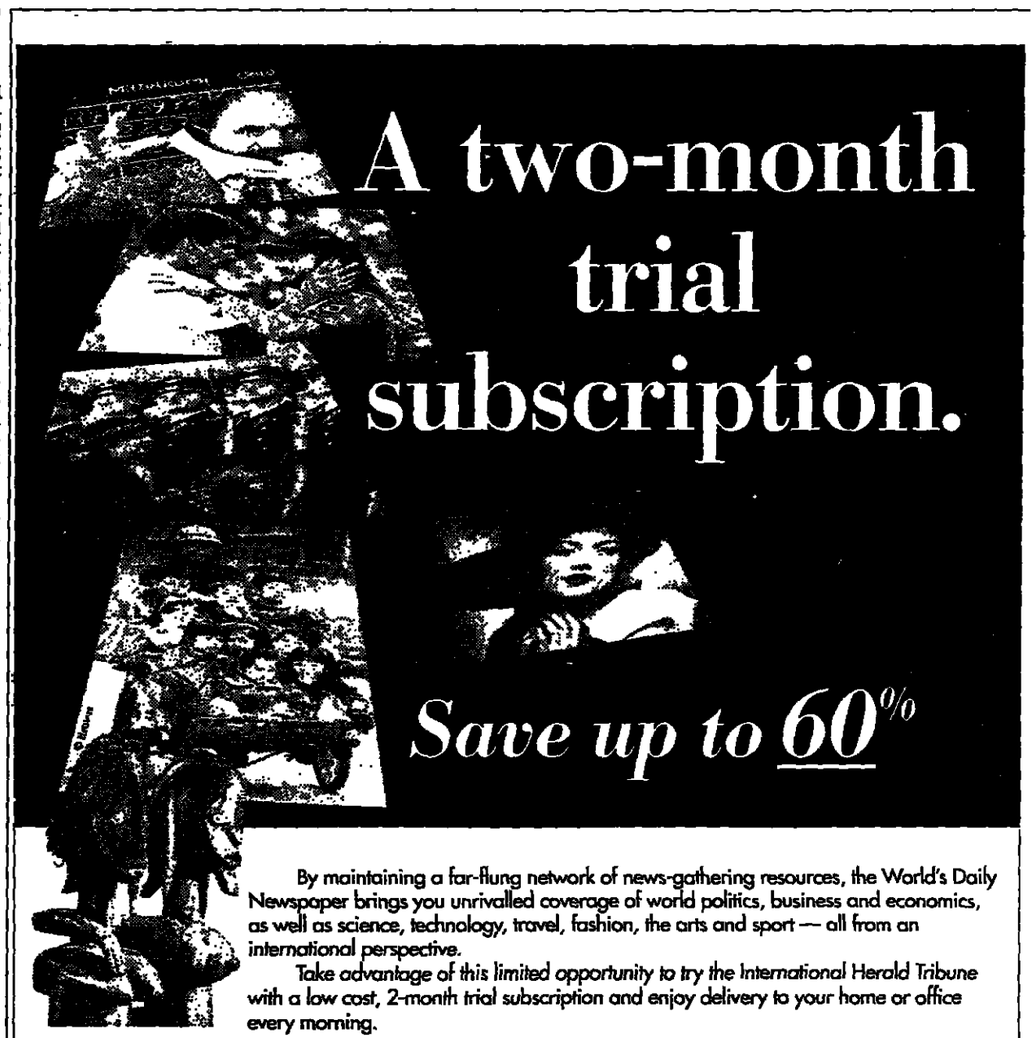
EAST (D)
♠ K 9 8 3
♡ Q 8
◇ K 10 6 3
♣ 10 6 4

SOUTH
♠ —
♡ A J 10 9 5 4 2
◇ —
♣ Q 9 8 5 3 2

North and South were vulnerable. The bidding:

East	South	West	North
Pass	4 ♡	Dbl.	6 ♡
Dbl.	Pass	Pass	Pass

West led the club ace.



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HEALTH/SCIENCE

TOMORROW: LEISURE

Share a Laugh With Your Computer

By Daniel Goleman
New York Times Service

NEW YORK — The phrase "user friendly" is about to take on a more literal meaning: computer scientists are creating machines that can recognize their users' most intimate moods and respond like an empathetic friend.

To be sure, the idea of a machine cognizant of that human Achilles' heel, emotion, can conjure more sinister images — like HAL, the savvy, menacing computer in "2001," whose fear that he would be unplugged led him to kill all but one of the crew members on a space mission.

Yet in a development welcome to some and alarming to others, as the birth date of HAL in Arthur C. Clarke's novel approaches on Jan. 12, scientists have already constructed pieces of the technical groundwork for such machines.

While the specter of robotic Frankenstein monsters captures the popular imagination, computer scientists offer benign visions of a more humanlike technology, animating gentle cousins of Oz's Tin Man.

They foresee a time when computers in automobiles will sense when drivers are getting too drowsy or impatient and so deliver wake-up messages or switch on soothing music. Empathic computer tutors will notice when their pupils are getting frustrated or overwhelmed, and so offer encouraging words and make lessons easier. Wearable computers could warn people with chronic conditions like severe asthma or high blood pressure when they are becoming too overwrought.

Bits and pieces of this emotionally attuned cyber-future already exist. Computer scientists at the Georgia Institute of Technology in Atlanta have developed a computer system that can recognize simple facial expressions of emotions like surprise and sadness. At Northwestern University in Evanston, Illinois, and at Carnegie-Mellon University in Pittsburgh, engineers have designed programs that converse with people and respond appropriately to their emotions. And at the Massachusetts Institute of Technology, in Cambridge, where much of the work in what is being called "affective computing" is under way, a computer worn around the waist monitors its wearer's every shift of mood.

No one claims that these more sensitive machines will come close to replicating full human emotion. And some skeptics question whether the work to mimic emotion in machines is worth the effort. Pat Billingsley, an expert in human-machine interfaces at the Merritt Group in Williamsburg, Massachusetts, said: "People don't want a computer that cares about their mood so much as one that makes what they're trying to do easier. You want a very predictable system, one you can rely on to behave the same way time after time — you wouldn't want your computer to be too emotional."

One impetus for building these more sensitive computers is widespread frustration with the doltishness of present models.

"Today's computers are emotionally impaired," said Dr. Roz Picard, a computer scientist at MIT who is leading the effort there to bring emotion to the all-too-rational universe of computing. "They blather on and on with pages of output whether or not you care. If they could recognize emotions like interest, pleasure and distress, and respond accordingly, they'd be more like an intelligent, friendly companion."

DR. PICARD and her associates at MIT's Media Lab are developing prototypes of such sensitive machines that are not just portable, but wearable.

"A computer that monitors your emotions might be worn on your shoulders, waist, in your shoes, anywhere," Dr. Picard said. "It could sense from your muscle tension or the lightness of your step how you're feeling, and alert you if, say, you're getting too stressed. Or share that information with people you wanted to know, like your doctor or your spouse."

One immediate step toward warmer-seeming machines is giving them more emotionally realistic voices. While computerized speech has come across at best as a monotonous drone, computer users may be cheered by progress in designing automated voices with the capacity for more realistic emotional inflection. Such nuance, Dr. Picard said, "adds flavor and meaning to what we say," adding: "With these abilities computers can communicate in a more natural, pleasant way. Monotonous voice-reminder systems could vary their voices, for example, to flag urgent information."

While warmer voices signal a small start, much of the work deals with more sophisticated aspects of emotional astuteness. Perhaps most progress has come in creating machines that can read human emotion, a technical challenge similar to having them recognize handwritten words or speech.

Emotions like fear, sadness and anger each announce themselves through a unique signature of changes in facial muscle, vocal inflection, physiological arousal, and other such cues. Building on techniques of pattern recognition already used for computer comprehension of words and images, Dr. Irfan Essa, a computer scientist at Georgia Tech, constructed the computer system that can read people's emotions from changes in their facial expression.

The system uses a special camera that converts changes in facial muscles into digitized renderings of energy patterns; the computer compares each pattern to that of the person with a neutral expression.

In pilot tests with people making deliberate expressions of emotions like anger, fear and surprise, the computer read the emotions with up to 98 percent accuracy.

Dr. Irfan Essa/Georgia Institute of Technology

Happiness and surprise: the computer sees facial muscles as energy patterns.

What Makes a Teenager?

It Might Be the Fat-Control Factor

By Natalie Angier
New York Times Service

NEW YORK — Into every life a comic disaster must sweep: It's called adolescence. One minute you are the sovereign of a perfectly respectable, smooth, blade-shaped body, and the next moment, out pop the hair, the acne, the secretions, the awkward depositions of fat, the inexplicable taste for tongue studs and Hermann Hesse.

Like the rest of us, scientists have long wondered why, exactly, children must become teenagers. They have sought to identify the chemical signals that transform body and brain from youthful asexuality to reproductive maturity. Everybody knows that teenagers are flooded with hormones like testosterone and estrogen, but what unleashes those hormonal tides in the first place?

Now researchers from the University of California at San Francisco propose that a principal initiator of puberty is leptin, a chemical already famed for its role in controlling body fat. Leptin was identified several years ago as a protein secreted by adipose cells that tells the adult body, hey, you are fat enough, you do not have to keep eating.

But its biological role seems to be weightier still. Dr. Farid F. Chehab and his colleagues found that when they injected synthesized leptin into normal young female mice, the mice reached sexual maturity much earlier than rodents injected with inactive saline solution.

The new research, which appears in the current issue of the journal Science, lends biochemical credence to a long-standing proposal that puberty is somehow linked to body fat, particularly in girls. By this notion, called the "critical fat hypothesis," a girl must reach a certain weight before her brain feels comfortable that she is capable of sustaining a pregnancy and thus unleashes the cascade of events culminating in sexual maturity. The latest results suggest that the brain gauges its nutritional resources and decides yea or nay on puberty by monitoring blood levels of leptin.

"The neural pathways in the brain need a signal that tells them there are enough energy stores in the body to turn on reproduction," Dr. Chehab said in a telephone interview. "Leptin appears to be the signal that reflects to the brain the amount of fat the individual has accumulated."

If the rodent results hold up in human studies, they could explain why chubby girls often go through puberty early and why very thin or athletic girls are delayed in their onset of menstruation. The researchers also believe that leptin helps orchestrate puberty in males, though experiments to demonstrate as much remain to be done.

"Leptin is a gorgeous molecule," said Dr. Rose E. Frisch, a professor emeritus at the Harvard School of Public Health. "We published a paper back in 1974 showing that a critical amount of fat was necessary for puberty and continued ovulation." Since then, she and her colleagues have published more than 100 papers on the subject, including a study using magnetic resonance imaging that showed female athletes with low body fat lacked the hormones necessary for ovulation. It is "very exciting, and very satisfying," Frisch added, to see in the new leptin findings molecular support for those decades of research.

Dr. Melvin M. Grumbach of the University of California at San Francisco said: "This is a really exciting and novel development, opening a wedge in the study of factors that control the onset of puberty.

But it's important to emphasize these are preliminary mouse studies that have yet to be shown to have relevance for humans." Dr. Grumbach, who did not work on the current project, is a pioneer in puberty research.

THE scientists were inspired to consider leptin as a puberty factor by previous experiments in which they had worked with genetically altered mice lacking the leptin gene. Such mice become obese, deprived as they are of the leptin signal to stop eating; but in addition, they turn out to be sterile. Dr. Chehab and his co-workers reported last spring that they could restore the rodents' fertility by supplying them with leptin.

In the current experiments, the researchers used normal young mice with the normal complement of leptin genes. But when the scientists injected the rodents with extra doses of leptin, two things happened: The mice grew very lean, as their brains responded to the fake fat signal by prompting them to eat less, and they matured early.

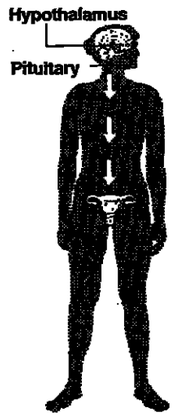
Their ovaries and uteri grew larger; their reproductive tracts opened; their levels of sex hormones soared; and, most persuasively, they began copulating and bearing young at an earlier age than the saline-treated mice. "We tricked the brain into believing the body was fatter than it was," Dr. Chehab said.

If leptin proves to be a major puberty signal in humans, it must operate not by starting something new, but by resuscitating something old. As Dr. Grumbach and others have shown, puberty occurs through a surprising process of disinhibition. "Puberty in a sense begins in the fetus," he said, with all the mechanisms necessary for sexual maturity in place in the brain by midgestation. But at 3 years old or so, those neural mechanisms are shut down, to be revived a decade later at adolescence.

NYT

'Brain Puberty' and Fat Levels: Possible Signal of Readiness To Reproduce

In studies of female mice, injections of the hormone leptin signaled premature puberty and even reproduction. Here is how such a mechanism might work in setting off puberty in human females.



INCREASED BODY FAT SIGNALS CHANGE

Fat cells proliferate and secrete leptin into blood, from which it reaches the brain. At a certain concentration, it may theoretically help activate the pulse generator in the hypothalamus, signing it to release regular pulses, about every 90 minutes, of gonadotropin-releasing hormone (GnRH).

HORMONES ARE RELEASED

GnRH stimulates the pituitary gland to release luteinizing hormone (LH) and follicle-stimulating hormone (FSH).

SEXUAL ORGANS BECOME ACTIVE

LH and FSH travel through the bloodstream to the ovaries, prompting them to release estrogen, the hormone that stimulates breast growth and other changes of puberty.

Source: Dr. Melvin M. Grumbach/University of California, San Francisco

NYT

The Panicky Darwin

By Curt Suplee
Washington Post Service

WASHINGTON — Charles Darwin might never have revolutionized biology with his theory of evolution if he had not suffered from chronic mental illness that turned him into a scholarly recluse, a provocative new study concludes.

Before he was out of his 20s, Darwin succumbed to a mysterious, debilitating condition that various authorities attributed over the years to bad nerves, tropical disease, arsenic poisoning, intellectual exhaustion, dyspepsia, "suppressed gout" or other complaints.

That condition, two physicians argue in the Journal of the American Medical Association, was most likely a form of panic disorder aggravated by agoraphobia. The combination kept the celebrated naturalist removed from society and probably forced him to focus on the epochal concept of natural selection, according to Thomas J. Barloon and Russell Noyes Jr. of the University of Iowa College of Medicine.

"Had it not been for this illness," they write, "his theory of evolution might not have become the all-consuming passion that produced 'On the Origin of Species.'"

Panic disorder, which afflicts an estimated 13 million Americans, manifests itself in unexpected attacks of extreme anxiety, with symptoms including rapid heartbeat, shortness of breath, trembling, sweating, nausea and dizziness. Some victims feel they are losing their minds or are about to die. Many become so obsessively worried about subsequent attacks that they make major changes in their behaviors — shunning elevators, airplanes, buses, bridges or whatever situation may have initially prompted the panic. The condition frequently occurs in combination with agoraphobia, an acute dread of being outside the home alone.

In a journal, Darwin (1809-1882) described his malady as a "sensation of fear . . . accompanied by troubled beating of the heart, sweat, trembling of muscles." It was exacerbated by unfamiliar locations (particularly cities) or the absence of a reassuring companion. Darwin often turned down invitations to travel, citing fear of "novelty and excitement." Even a brief stay in 1848 in Shrewsbury, his birthplace, prompted him to write to his wife about the oppressive "sounds of the town & blackguards talking & want of privacy," and to confess that "I do long to be with you & under your protection for then I feel safe."

The onset of panic disorder usually occurs between late adolescence and the mid-thirties. Darwin was 27 when his illness first became severe. He had been a gregarious student, intrepid traveler and vigorous outdoorsman. But by 1837 — only a year after his return to England after a five-year voyage to South America and the Pacific aboard the Beagle — he began to complain of an "uncomfortable palpitation of the heart," according to the 1991 biography by Adrian Desmond and James Moore. The symptoms arose after he started a secret notebook, filled with speculations about the "transmutation" of species over time, that 22 years later would become his elaboration of the theory of evolution.

SYMPTOMS persisted intermittently following his marriage and lasted until the last decade of his life. He was tormented by anxiety and incessant stomach problems. "A third of his working life was spent doubled up, trembling, vomiting, and dousing himself in icy water," Desmond and Moore write.

The "water cure" was prescribed in 1849 by a fashionable physician whose notion was that "cold water over the body" would "stimulate the circulation and draw the blood supply away from the inflamed nerves of the stomach," Darwin's biographers write.

Rex Cowdry, deputy director of the National Institute of Mental Health, said that Darwin's "history is certainly very suggestive of panic disorder."

James C. Ballenger, chairman of the department of psychiatry at the Medical University of South Carolina and a leading expert on panic disorder, called the new study "entirely credible and convincing." Darwin's gastrointestinal troubles are typical, he noted: "About 30 percent of panic disorder, patients have irritable bowel syndrome." Though the "water cure" may have had no physiological effect, Dr. Ballenger said, "the placebo effect is incredibly effective in panic disorder, and as many as 60 or 70 percent of patients transiently lose their symptoms" if reassured that they're getting superior treatment.

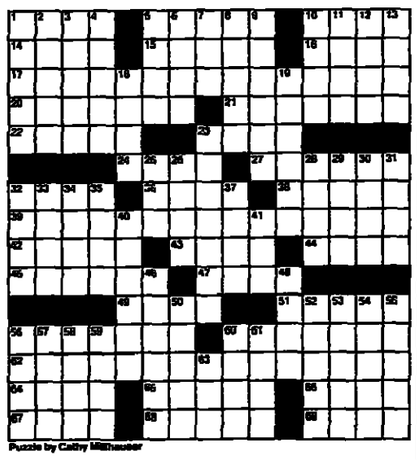
CROSSWORD

ACROSS

1 Catch
5 Long Island airfield
10 Bureau projection
14 Nightmarish boss
15 Rhone feeder
16 Actress Skye
17 Class-action suit?
20 Act gung-ho
21 Dahl and Francis
22 They may have brand identification
23 Globe part
24 *Kind of call*
27 Magnetism
32 "Roots," e.g.
36 Emulate Odysseus
38 Exxon Valdez, for one
39 Playsuit?
42 Company that produced the game Pong
43 Sans purpose
44 Caricaturist Thomas
45 Send back
47 Think of it!
49 Owl's hangout
51 Overcharges
56 Follow suit
60 Knight's superior
62 Trump suit?
64 Actress Baclanova of old films
65 Soft palate
66 Opponent
67 Norman of sitcom fame
68 Lift up
69 Singer Russell of 70's music

DOWN

1 Alumni —
2 *Instrument*
3 Fit to be tied
4 Madre's milk
5 Wife of Osiris
6 Fit to be tried
7 Record
8 Pizarro's conquest
9 Bradley University site
10 Relative of a falcon
11 You name it
12 "The joke's —!"
13 Some parties
18 Smart
19 *Lillehammer event*
23 Disney hit of '92
25 Treasure of the Sierra Madre
26 Loughlin of "Full House"
28 Club member since 1917
29 It's near the crazy bone
30 Bench's benchmates
31 Formerly, once
32 Traumatize
33 Adenauer moniker Der —
34 "Where America's Day Begins"
35 "East of Eden" woman
37 Salsa specification
40 Storied sailor
41 Alway
46 It's a case
48 Israeli port
50 Party
52 Neighborhood
53 Fatuous
54 Basil-based sauce
58 Stout vessel
56 Elvis, for one
57 Source of a leak
58 Actress Swenson
59 Rimsky-Korsakov's Saltan, e.g.
60 Like some champagne
61 Zenith
63 Commercial suffix with Motor



Puzzle by Cathy Millhauser

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Jan. 8

S	N	A	G		D	E	F	T		L	E	M	A	T
C	O	V	E		E	L	L	A		I	R	A	N	I
A	M	I	N		D	U	E	T		L	A	I	N	E
R	O	S	E	B	U	D	W	A	S	A	S	L	E	D
			A	G	E			I	C	E				
S	P	A	R	S	E		B	I	G		S	P	I	C
T	A	R	O	S		E	A	R	N			E	N	O
A	P	E	W	O	R	L	D	I	S	E	A	R	T	H
R	E	N			O	I	L	S		A	L	I	E	N
T	R	A	P		G	A	Y		F	R	I	L	L	S
			L	E	E			A	I	L				
S	H	E	I	S	R	E	A	L	L	Y	A	M	A	N
T	O	N	G	S		P	I	L	L		R	A	R	E
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T	E	S	T	Y		C	E	N	T		H	E	A	T

Harry's
Est. 1911, Paris
"Sank Roo Doe Noo"
A Space for Thought.

'Bombs' From Space Target Earth

By William J. Broad
New York Times Service

NEW YORK — Astronomers who scan the sky for big rocks on a collision course with Earth are getting new support for their pet nightmares from once-secret military data.

The readings show that the planet is continually struck by speeding boulders that explode in blasts the size of atomic detonations, and that the rate of bombardment is higher than previously observed.

The blasts light the sky with brilliant fireballs but are seldom seen because they often occur over the sea or uninhabited lands. The rocky objects that cause them are anywhere from a meter in diameter to 25 or so meters wide. They vanish in titanic explosions high in the atmosphere, since, though small, their enormous energy of motion is converted almost instantly into vast amounts of heat.

Unlike their much larger cousins, they usually leave few or no traces on the ground.

Scientists at the Los Alamos National Laboratory in New Mexico are now releasing old and contemporary observations of such blasts made with military sensors. The ground-based sensors work like sensitive ears to detect very low-frequency sound waves, which radiate outward around the globe.

The observed rate of bombardment is about 12 events a year. At a minimum, these cosmic intruders produce blasts as big as a nuclear warhead of one kiloton, equal to 1,000 tons of high explosive. The old rate, based on orbital data from early-warning satellites that watch for rocket firings and nuclear explosions with telescopes, was eight impacts a year.

"The theoreticians are thrilled," Dr. Douglas O. ReVelle, a meteorologist at Los Alamos who works on the detection project, said. "People weren't aware that you get these acoustic responses from objects entering the atmosphere."

For decades, astronomers, geologists and planetary scientists have hypothesized about the rate of terrestrial bombardment, with the Earth seen as an unwitting target in a cosmic shooting gallery. But their calculations have tended to be long on surmise and short on fact.

The disclosure of a high rate of impact from relatively small objects is seen as bolstering the idea that Earth is periodically subjected to strikes by even larger objects from space, including doomsday rocks a few kilometers wide. Objects this size are predicted to hit once every 10 million years or so, causing mayhem and death on a planetary scale.

"It helps refine the theory," Dr. David Morrison, an expert on doomsday rocks at the Ames Research Center of the National Aeronautics and Space Administration in Mountain View, California, said of the new data. "It would be very interesting scientifically to pin down the contemporary rate, as you could do from atmospheric observations."

For ages, people gazing at the night sky have been fascinated by, and at times frightened by, sudden streaks of bright light. But scientists only recently have come to realize that the grain-of-sand-sized particles that regularly blaze as shooting stars and meteor showers are simply one end of a spectrum of cosmic debris that continually collides with the Earth as the planet sweeps though space. On occasion, the intruders are large enough to survive the fiery plunge through the atmosphere to strike the ground and dig large craters.

Rough weather and geologic activity mean Earth has relatively few cosmic scars. In contrast, the Moon's highlands are saturated with rocky wounds that overlap one another in profusion.

Despite the erosional forces on Earth, it has been clear for some time that the planet occasionally gets hit. In 1908 over Siberia, an object exploded in the atmosphere with a force of 20 hydrogen bombs, and the shock wave flattened hundreds of square kilometers of forest and reverberated around the world.

IT WAS the Siberian event and, later, in the space age, the observation of craters on the Moon, Mars, and distant planetary bodies that set scientists to pondering the possibility that the Earth coexists in space with a swarm of doomsday rocks.

Based on such evidence as telescopic surveys of planetary craters, and of comets and asteroids that occasionally come hurtling near Earth, scientists in the 1980s proposed that the planet faces a wide range of threats. Big intruders strike less often, they said, with the biggest ones striking once every 100 million years or so.

Herald Tribune
BUSINESS/FINANCE
THURSDAY, JANUARY 9, 1997

Sabena, Austrian and Swissair Strengthen Cooperation With Delta

Compiled by Our Staff From Dispatches

ZURICH — Swissair AG said Wednesday it had agreed with its European partners, Sabena SA and Austrian Airlines, to expand their cooperation with Delta Air Lines Inc. in a bid to expand their share of the trans-Atlantic market.

Swissair said the alliance would offer a joint reservation service and unified fares as of Feb. 1, which allows any of the four partners' flights to be booked at standardized fares. Revenue from the venture will be shared, Swissair said.

Swissair said the partners were "taking full advantage," of U.S. antitrust immunity they won last year. "They are also consolidating their own position in a market likely to become even more fiercely contested," the airline said.

The move comes as the airlines are trying to keep pace with a series of cooperation agreements announced last year and as the world's biggest airlines vie to grab a share of the lucrative long-distance market.

The U.S. antitrust immunity ruling allowed the Swiss national airline and its partners to discuss unified pricing and other forms of cooperation to increase revenue and cut costs as a means of offsetting falling ticket prices.

Flight operations at Swissair and at Sabena, the Belgian national airline in which the Swiss company has a 49.5 percent stake, have been unprofitable for years. Austrian, of which Swissair owns 10 percent, is barely profitable.

Delta, based in Atlanta, said Tuesday it would realign its trans-Atlantic routes and all but eliminate its Frankfurt hub, resulting in a $60 million pretax charge in the current quarter, as it tries to shed unprofitable flights.

Delta is facing stiff competition in Frankfurt from Lufthansa AG and UAL Corp.'s United Air Lines.

"This will make Swissair more competitive," said Susanne Borer, an analyst at Bank J. Vontobel & Co. AG. "These steps were necessary and were to be expected. Otherwise there would be no point in forming an alliance."

Last year, British Airways PLC announced a sweeping trans-Atlantic pact with American Airlines, while Air France ended a long search for a U.S. partner by signing accords with Continental Airlines Inc. and Delta. The two planned alliances have not yet received U.S. antitrust clearance.

Lufthansa, meanwhile, has formed pacts with Scandinavian Airlines System AS, United, and Thai Airways International PLC.

"The alliance between Delta, Swissair and the other two partners will be one of the most wide-ranging in the industry," said Urs Kunz, analyst at Credit Suisse.

When they received U.S. antitrust clearance last June, Swissair and its partners said they planned to set up a "seamless" air transport system. In October, Delta said it and its partners planned to operate "as one" across the Atlantic while remaining separate companies.

The four carriers, which said they would offer more shared flights, have a combined fleet of about 675 aircraft.

Delta will launch a new Atlanta-to-Zurich service June 11, while Sabena will offer nonstop flights between Brussels and Cincinnati, Delta's second-largest hub, beginning May 15.

Swissair said the alliance planned to increase its 12 percent share of the trans-Atlantic market but did not give a target. It also said it would introduce new fares to around 200 U.S. destinations from Switzerland.

Swissair shares closed Wednesday in Zurich at 1,160 Swiss francs ($931.05), up 30 francs, while Austrian shares finished unchanged in Vienna, at 1,500 schillings ($136.51). In New York on Wednesday, Delta shares closed at $73.00, up 87.5 cents. Sabena is not listed. *(Bloomberg, AFX)*

■ Lobby Pleads for Liberalization

An international industry group said that liberalization of global air transport would help the travel and tourism sector, already the world's largest industry, create millions of new jobs, Reuters reported from Brussels.

"Freer trade in the air will speed the growth of travel and tourism and make an important contribution to economic growth and employment," the World Travel and Tourism Council said in a report entitled Air Transport and Freer World Trade.

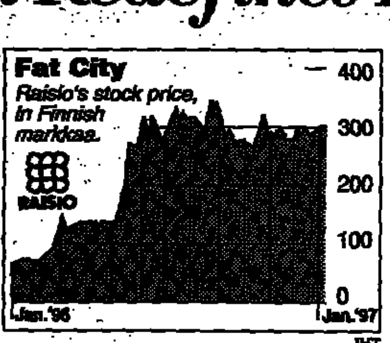
But it acknowledged that a global deal to liberalize aviation seemed "unlikely for many years." It listed alternative ways forward, including agreements within and between regions as well as bilateral agreements.

The lobbying group said the travel and tourism industry generates directly or indirectly more than 10 percent of global jobs, gross domestic product, and investment, a figure which could grow to more than 40 percent by 2007.

Raisio Group is looking for international partners to spread Benecol, invented by Ingmar Wester (right).

Finnish Firm Redefines Health Food

By Erik Ipsen
International Herald Tribune



A year ago, when an obscure Finnish company began selling a margarine that promised to significantly cut cholesterol levels, few people bothered to notice. That was before Benecol, which at $10 a pound, more than six times the price of regular margarine, started vanishing from store shelves.

That was also before the company's talk of a cholesterol-quashing conquest of global markets drove its share price through the roof of the Helsinki stock exchange — quintupling in less than a year.

Now the executives of the Raisio Group, which started 57 years ago as a farmers' cooperative, find themselves reading case histories of Nutrasweet, the artificial sweetener that made a fortune for its inventors more than a decade ago.

Raisio plans to sell the active ingredient from its margarine, which remains an only-in-Finland phenomenon, to food companies around the world. By doing so, it hopes to make the patented ingredient — which will also be called Benecol — as ubiquitous as Nutrasweet. Raisio hopes its product will transform products such as yogurt and breakfast bars into premium-priced cholesterol cutters.

Foreigners, who own 51 percent of Raisio's shares, have piled on the encouragement, insisting that the company should think big.

"This is much more significant than Nutrasweet," said Tim Youngman, an analyst with SBC Warburg in London. "This is not just another sugar or fat substitute; this is something more like a pharmaceutical that actively reduces cholesterol in the body."

He and others point to studies showing that Benecol has no adverse side effects. They reckon that classed as a "generally regarded as safe" food ingredient, it will get swift approval from health and food authorities.

People like Mr. Youngman are busy tallying up the billions of dollars Raisio

INTERNATIONAL MANAGER

could reap from its invention, and touting the shares as a 1,000 markkaa ($213.30) value, compared with closing price Wednesday of 303 markkaa.

Executives at Raisio, meanwhile, are finally nearing a decision over which companies they should choose as their international partners. Jukka Maki, the company's deputy chief executive, said he had been besieged with partnership offers from leading food companies the world over. "The demand is there," he said. "We cannot postpone our decision past January."

The question is, can a Finnish company, whose special voting shares remain closely held by a small group of farmers, take its local success and replicate it abroad — even with help from biggest and savviest of partners?

In Helsinki, 200 kilometers (124 miles) southeast of Raisio's headquarters, some analysts have dismissed Raisio's invention as a fluke that will inevitably lead to a dead end. "I think that we have seen the best of the Benecol effect already on the price of the shares," a Finnish analyst said. "This is certainly not the kind of company anybody ever thought would come up with anything this amazing."

Three crucial Finnish factors explain why Raisio found its Benecol, while the likes of Proctor & Gamble Co. of the United States toiled for years without success on a similar feat of alchemy.

Finland's abundance of trees was one factor. It takes 15 tons of trees to make just one kilogram (2.2 pounds) of the active cholesterol-cutting ingredient in Benecol. Second, Finland has a historical predilection for a diet so high in salt and fat and so low in fruit and vegetables that Finns had the highest rate of coronary heart disease in the world a decade ago. Lastly, Finns love lunching on open-faced sandwiches — thick slices of bread slathered with margarine and topped with salmon or salami.

"Since people here eat sandwiches every day, it is a natural way to administer the daily dose," said Sten von Hellens, a Raisio spokesman. Raisio gives it to them by inserting compounds called sterols into fats in food. Sterols are present in all plants and are known to reduce cholesterol.

Normally, people consume 0.2 to 0.3 grams of sterols a day simply by eating potatoes and vegetables. Benecol concentrates those sterols and blends them with margarine so that, as

See FAT, Page 15

Philips Cedes Its Control of Grundig

Compiled by Our Staff From Dispatches

EINDHOVEN, Netherlands — Philips Electronics NV announced Wednesday it was relinquishing its full control of Grundig AG of Germany to become a "passive minority shareholder."

The Dutch consumer-electronics giant, which owns 31.6 percent of the German company, said the move was in line with its decision to create a single brand for its Sound and Vision products.

In February 1996, Philips said it would no longer be obliged to automatically cover the losses of Grundig, which makes consumer electronics in Germany. Under an agreement with Grundig's founding family's trust, Philips has had complete control over the company since 1984 and was liable for the German company's losses.

Philips said it had separated Grundig from its consolidated accounts Dec. 31.

Battling depressed European consumer spending and fierce price competition, Grundig faces a loss of 300 million Deutsche marks ($192 million) in 1996, compared with a 598 million-DM loss in 1995, according to analysts' estimates. Philips has not disclosed the extent of Grundig's losses, for which the Dutch company has taken charges of $955 million since 1984.

Grundig does not expect to break even until next year because cost cuts will not have much impact until the second half.

Grundig had about 8,500 employees at the end of 1996, with about half in Germany and half elsewhere in Europe.

In a statement, Philips said it had begun negotiations with the Max Grundig Foundation to be released from contractual obligations, including the payment of an annual fixed dividend of 50 million DM to the widow of Max Grundig.

Another contractual condition was that the foundation had a right to sell Philips its interest in Grundig in 2004.

Ben Geerts, a Philips spokesman, said the severing of the Grundig connection has "unspecified financial implications."

"Grundig will now determine its own future," Mr. Geerts said, adding that he could not comment on the negotiations with the Max Grundig Foundation.

Philips shares closed Wednesday in Amsterdam at 71.9 guilders ($40.95), up 3.6 percent from 69.4 guilders Tuesday.

Analysts said the family foundation that owns the rest of Grundig's stock would probably buy Philips' stake itself.

Analysts expect Philips to sell its Grundig shares back to the foundation, or to try to sell the company to an Asian competitor.

Siemens AG of Germany said it had "completely ruled out" buying a stake in Grundig and said a European partner for Grundig is unlikely because the strongest consumer-electronics companies are in the United States and Asia. *(AP, Bloomberg, AFP)*

Majority of Germans Want a Vote on the Euro

Compiled by Our Staff From Dispatches

BONN — Nearly three-quarters of Germans, or 73 percent, want a referendum on whether the Deutsche mark should be replaced by the euro, according to an opinion poll to be published by Die Woche newspaper on Thursday.

Well over half — 56 percent — are against introduction of a single currency on Jan. 1, 1999, the poll of 1,005 people by the Forsa Institute also found, compared with 31 percent who favored it.

A total of 11 percent want the upper and lower houses of Parliament to vote on the issue, while 12 percent would be satisfied if the government alone decided.

Only 15 percent of those polled believed the euro would be as "hard" as the mark, compared with 74 percent who believed the opposite, the poll found.

Norbert Walter, chief economist of Deutsche Bank, said Wednesday that he rated at only 55 percent the chances of European economic and monetary union starting on time.

The key obstacle beyond the national convergence criteria set in Maastricht was German opposition to Italy and Spain joining in the first wave of participants in the European monetary union at that date, he said.

"I do believe the chances for EMU to occur in 1999 are 55 percent, and the chances of failure are 45 percent," he said.

Mr. Walter said the decision in 1998 on the qualifying countries would have to be taken by a qualified majority of three-quarters of the 15 European Union countries.

"The problem will thus be, how do you arrive at a majority decision without including these countries," Mr. Walter said, referring to Spain and Italy.

Italy and Spain have both recently produced 1997 budgets designed to meet the Maastricht treaty's target of getting public deficits down to 3 percent of gross domestic product in 1997 to qualify for monetary union in 1999.

The ideal solution would be to convince them — notably through the urgings of President Jacques Chirac of France and Chancellor Helmut Kohl of Germany — that they must wait for further economic convergence before joining the single-currency zone.

Mr. Norbert said Italy could trade its vote in the decision-making process for a promise that "there be an unlimited commitment to support the lira."

Mr. Walter said he hoped monetary union would happen and underlined that discussion on the criteria or a postponement could result in a "derailing of the process" and that this would be tragic for Europe.

"Europe is closer to Yugoslavia than many people think," he said, adding that failure would push EU countries to turn inward. "It would be back to tribalism once again." *(AFP, Reuters)*

CURRENCY & INTEREST RATES

Cross Rates

Jan. 8

	$	£	D.M.	F.F.	Lira	Dfl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.764	2.978	1.1238	0.3322	0.1146*	—	5.447*	1.2975	1.5240*	1.381	1.335*
Brussels	32.45	54.81	20.606	6.109	2.1087*	18.36	—	22.835	0.2797	24.01	24.50*
Frankfurt	1.5717	2.6555	—	0.296	0.1021*	0.8898	4.8532*	1.1571	1.3583*	1.163	1.1094*
London (a)	1.6883	—	2.6559	8.9651	2,598.56	2.9789	54.8884	2.2061	195.415	2.2982	222.497
Madrid	132.238	223.152	84.089	24.887	8.585*	74.914	4.0898	97.240	114.264*	99.623	—
Milan	1,539.80	2,605.80	980.40	290.02	—	873.28	47.467	1,133.20	13.305	1,130.25	11.682
New York (b)	—	1.6884	1.575	5.3205	1,541.80	1.7671	31.58	1.3645	115.82	1.3518	132.445
Paris	5.3035	8.9665	3.3780	—	0.346*	3.0182	0.1630	3.9113	4.5930*	3.9226	4.988*
Tokyo	115.40	195.38	73.77	21.84	0.751	65.74	3.5865	85.29	—	85.30	0.8766
Toronto	1.3516	2.2881	0.8584	0.254	0.0877*	0.7648	0.4156*	0.9919	1.1168*	—	1.0819*
Zurich	1.2659	2.184	0.8657	0.2563	0.0884*	0.7713	4.2817*	—	1.1789*	1.0089*	1.0922*
1 ECU	1.2387	0.734	1.9479	6.5809	1,907.59	2.1865	40.1399	1.6828	143.354	1.6779	163.885
1 SDR	1.4015	0.8471	2.2499	N.Q.	2,204.84	2.5269	46.312	1.94452	165.320	1.9469	189.299

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers and Toronto rates at 3 p.m.
*a: To buy one pound b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	246.56	Mex. peso	7.828	S. Afr. rand	4.665
Australian $	1.2798	Hong Kong $	7.7393	N. Zealand $	1.418	S. Kor. won	844.70
Austrian sch.	11.065	Hung. forint	162.23	Norw. krone	6.4925	Swed. krona	4.9757
Brazil real	1.0401	Indian rupee	35.865	Phil. peso	26.31	Taiwan $	27.49
Chinese yuan	8.3276	Indo. rupiah	2362.63	Polish zloty	2.88	Thai baht	25.61
Czech koruna	27.19	Irish £	0.6005	Port. escudo	157.62	Turkish lira	109235.
Danish krone	5.9983	Israeli shek.	3.2412	Russ ruble	5594.0	UAE dirham	3.6705
Egypt. pound	3.392	Kuw. dinar	0.2994	Saudi riyal	3.7498	Venez. boliv.	475.50
Fin. markka	4.7015	Malay. ring.	2.4881	Sing. $	1.4048		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6857	1.6844	1.6830	Japanese yen	115.30	114.84	114.34
Canadian dollar	1.3515	1.3490	1.3463	Swiss franc	1.3556	1.3518	1.3476
Deutsche mark	1.5699	1.5670	1.5639				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 8

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/16 - 5 7/16	2 15/16 - 3 1/16	1 5/16 - 1 7/16	6 1/8 - 6 1/4	3 1/4 - 3 3/8	7/16 - 1/2	4 5/16 - 4 7/16
3-month	5 7/16 - 5 1/2	3 - 3 1/8	1 3/8 - 1 1/2	6 3/8 - 6 1/2	3 1/4 - 3 3/8	7/16 - 1/2	4 5/16 - 4 7/16
6-month	5 1/2 - 5 5/8	3 - 3 1/8	1 7/16 - 1 9/16	6 11/16 - 6 13/16	3 5/16 - 3 7/16	1/2 - 9/16	4 3/8 - 4 1/2
1-year	5 3/4 - 5 7/8	2 15/16 - 3 1/16	1 1/2 - 1 5/8	7 - 7 1/8	3 1/4 - 3 3/8	1/2 - 5/8	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 1/4
90-day CDs dealers	5.43	5.43
180-day CP dealers	5.32	5.30
3 month Treasury bill	5.02	5.02
1-year Treasury bill	5.31	5.30
2-year Treasury bill	5.99	5.94
5-year Treasury note	6.34	6.29
7-year Treasury note	6.44	6.40
10-year Treasury note	6.59	6.54
30-year Treasury bond	6.84	6.79
Merrill Lynch 30-day RA	4.95	4.95
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.42
1-month interbank	0.56	0.53
3-month interbank	0.56	0.56
6-month interbank	0.56	0.56
10-year Govt bond	2.62	2.66
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.10
1-month interbank	3.15	3.15
3-month interbank	3.15	3.15
6-month interbank	3.18	3.18
10-year Bund	5.95	5.98
Britain		
Bank base rate	6.00	6.00
Call money	6.00	6.00
1-month interbank	6 3/16	6 3/16
3-month interbank	6 1/4	6 1/4
6-month interbank	6 5/16	6 5/16
10-year Gilt	7.72	7.74
France		
Intervention rate	3.15	3.15
Call money	3 1/4	3 1/4
1-month interbank	3 1/4	3 5/16
3-month interbank	3 1/4	3 5/16
6-month interbank	3 1/4	3 5/16
10-year OAT	5.87	5.89

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	357.03	356.00	−3.05
London	355.80	356.60	−2.40
New York	359.90	356.80	−2.90

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

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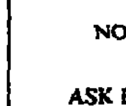
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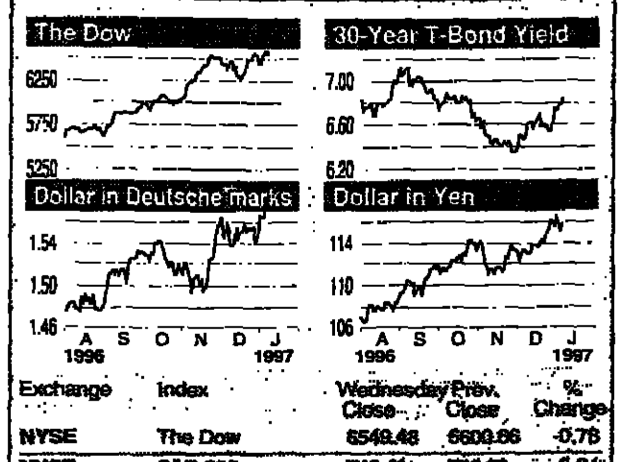


Exchange	Index	Wednesday Close	Prev. Close	% Change
NYSE	The Dow	6549.48	6600.66	-0.78
NYSE	S&P 500	748.41	753.23	-0.64
NYSE	S&P 100	733.22	738.83	-0.76
NYSE	Composite	395.25	396.90	-0.42
U.S.	Nasdaq Composite	1320.35	1324.26	-0.30
AMEX	Market Value	576.72	575.63	+0.19
Toronto	TSE Index	5929.98	5946.87	-0.28
São Paulo	Bovespa	74270.28	72974.60	+1.78
Mexico City	Bolsa	3557.97	3516.18	+1.19
Buenos Aires	Merval	664.58	663.49	+0.16
Santiago	IPSA General	5161.83	5097.21	+1.25
Caracas	Capital General	6736.94	6837.90	-1.48

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

SCI Withdraws Bid to Buy Loewen

HOUSTON (AFP) — Service Corp. International, an operator of funeral homes and cemeteries, said Wednesday it was withdrawing its $2.9 billion bid to acquire a Canadian rival, Loewen Group.

"The cumulative effect of actions taken by Loewen since our offer was announced, and the disclosure of details related to certain of Loewen's other transactions, have adversely impacted SCI's view of Loewen's value to SCI shareholders," said SCI's chairman, R. L. Waltrip. Loewen had opposed the move, which SCI announced in September.

The takeover would have created a company operating 3,750 funeral homes and 600 cemeteries with estimated annual sales of $2.2 billion.

- **AMP Inc.** will cut about 1,000 jobs, or 2.2 percent of its work force, as part of a restructuring plan that will close or consolidate some plants and streamline certain product lines at the maker of electrical and electronic equipment.
- **Valero Energy Corp.** said five energy and utility companies would submit bids to buy its natural gas business, valued at about $1.5 billion.
- **International Business Machines Corp.** said it expected its Internet-related business to break even this year.
- **The New York District Attorney's office** said 53 brokers and the impostors they allegedly paid to take their licensing exams would be charged in the largest-ever case of brokerage test-taking fraud.
- **Minnesota Mining & Manufacturing Co.** sued Microsoft Corp., alleging that a Microsoft software program due out later this month infringes on one of its trademarks.
- **Coca-Cola Co.** has changed the design of cans of Coca-Cola Classic, eliminating the vertical white ribbon and changing the words to "Always Coca-Cola Classic." *Bloomberg, AP*

Computer Retailers Crashing

More Consumers Turn to Direct Marketers

By Jennifer Steinhauer
New York Times Service

NEW YORK — Have American consumers fallen out of love with the home-computer store? If so, have they started a steamy affair with new merchants of consumer electronics? If sales figures and current stock prices of America's computer retailers are any indication, the answer may be a resounding yes.

As the numbers are tallied for the Christmas season, traditional consumer electronics retailers are reporting bad news almost daily.

On Tuesday, Circuit City Stores Inc. reported a 13 percent drop in December sales. Last week, Tandy Corp. announced plans to dispose of its Incredible Universe electronics outlets. And Best Buy Co. has acknowledged that it failed to meet financial requirements stipulated under its bank loans.

Indeed, even as sales of home computers rose nearly 15 percent in the fourth quarter, they fell 23 percent at such stores, according to estimates by Computer Intelligence, a market research firm in La Jolla, California. Hit less hard although not immune were the so-called computer superstores, like CompUSA Inc., whose stock was hammered last week on a weak sales report, and Tandy's Computer City.

So where are people buying computers? The winners, analysts say, are the companies that market directly to consumers, like Gateway 2000 Inc., Dell Computer Corp., and Micron Electronics Inc., and the catalogue marketers PC Connection and Computer Discount Warehouse.

Indeed, sales at direct marketers were up an estimated 20 percent to 30 percent in the fourth quarter over the like 1995 period, according to Computer Intelligence.

The explanation for the shift, to a considerable extent, is that the retailers appear to be the victims of their own success. Today, an estimated 65 percent of all home computers are sold to people who already own one personal computer or more, up from less than 50 percent two years ago. And the sophisticates are shunning the stores that introduced them to computing.

"That's having a big impact on retailers, as experienced PC owners buy more and more directly from companies like Gateway and Dell," said Andy Bose, president of Access Media International, a technology consulting firm.

To hear some retail analysts tell it, the consumer-electronics chains are stumbling only temporarily, and new products, like new satellite dishes and computers equipped with the Intel Corp.'s new multimedia chip, released Wednesday, will revive sales soon.

Indeed, undaunted by this season's setbacks, some electronics retailers are opening new stores faster than they can close the underperforming ones. Circuit City announced this week that it would open 40 electronics superstores in New York City by 1999.

Nonetheless, for the investor, computer retail stores are a dicey bet. Circuit City, which traded at $38.50 in June, closed Wednesday on the New York Stock Exchange at $29.50.

Best Buy and CompUSA have both lost more than 40 percent of their market value over roughly the same period.

"What this all means is that you stay away from this area," said James McCall, a portfolio manager in Wayne, Pennsylvania, who just unloaded all of his shares in CompUSA. "Because it is just clear there is a lot of potential for negative surprises. I am kind of avoiding the whole group."

This year there were few significant new retail products to fuel sales, as there were last year with Microsoft's Windows 95 operating software and Intel's Pentium chips.

Yet, the sluggishness of sales to first-time computer buyers does raise the question of whether the spread of personal computers into American households has stalled at its current 35 percent household penetration.

Moreover, analysts note that there is a real limit to how many $2,000 machines can be sold to the affluent households that are the most prodigious computer consumers. Among families with incomes of $60,000 or more, 65 percent already own computers, according to Scott Miller, an analyst at the research firm Dataquest.

If electronics retailers are struggling in the home-computer market, the manufacturers share their concerns. Accordingly, some producers have opted out of the consumer-computer market altogether.

Interest-Rate Worries Send Stocks Into Slide

Compiled by Our Staff From Dispatches

NEW YORK — Stocks turned sharply lower Wednesday in heavy trading after interest rates rose toward their highest level since late October in the bond market.

The Dow Jones industrial average fell 51.18 points to close at 6,549.48 after spending most of the day slightly below Tuesday's record-high close of 6,600.66, the first ever above 6,600 for the blue-chip barometer.

Declining issues barely outnumbered advancing ones on the New York Stock Exchange.

The price of the benchmark 30-year Treasury bond fell to 95 19/32 from 96 9/32 on Tuesday. The yield, which moves opposite to the price, rose to 6.84 percent, up from 6.79 percent Tuesday.

Interest rates have jumped over the past week in the bond market amid unexpectedly strong economic data that spurred inflation jitters.

But a Fed official, trying to assuage those fears, said Wednesday that U.S. economic growth was "steady and moderate" and the rate of inflation was low.

William McDonough, president of the Federal Reserve Bank of New York, said he did not see any large imbalances in the economy that would change its growth rate. "The risks to the economy are reasonably small," said Mr. McDonough, who also serves as vice chairman of the Fed's policy-setting Federal Open Market Committee.

Analysts said that the outlook for rising corporate earnings had fueled the stock market's spectacular rise, but that at this level, rates could pose a problem for stocks.

James Solloway, director of research for Argus Research Corp., described his investment outlook as the most cautious it has been in six months.

"I don't think profits are going to offset the negative impact of rising bond yields," he said.

AT&T was the Big Board's most

U.S. STOCKS

active issue, falling ½ to 38⅜. Inflation fears tend to hurt companies that pay big dividends.

In other active trading, Loewen Group fell 4⅛ to 36¾ on reports that Service Corp. International had withdrawn its takeover bid. Service Corp. shares rose 1¾ to 29⅜.

Motorola rose 1½ to 63 after Morgan Stanley upgraded its recommendation on the consumer electronics company.

The Nasdaq Composite index retreated 7.38 points to 1,320.35 after spending much of the day flirting with record levels.

Netscape Communications fell 10⅞ to 47⅞ after some cautious assessments of the Internet software company by Merrill Lynch and Deutsche Morgan Grenfell.

Shiva, the most active Nasdaq issue, plunged 15⅝ to 19¼ after the computer networking concern warned of disappointing fourth-quarter earnings.

Intel fell 1⅛ to 142¼, reversing early gains. The world's biggest maker of microprocessors introduced the MMX, a speedier chip for presenting video and audio, but investors questioned whether Intel's 13-point rise since last Thursday had already priced in any expected benefits from higher sales. *(AP, Bloomberg)*

Gold Sinks Amid Fears of Sales by European Central Banks

Compiled by Our Staff From Dispatches

LONDON — The price of gold has slumped to a more than three-year low on speculative selling prompted by fears that European central banks are disposing of some gold reserves in a bid to qualify for the European single currency, analysts said Wednesday.

The price of the precious metal has fallen by almost $15 since the start of the year, reaching $355.70 per ounce Wednesday on the London Bullion Market, the lowest level since October 1993.

Prices have come under pressure primarily from selling by speculative investors on the New York futures market, analysts said.

Gold futures for February delivery closed $2.90 lower at $356.80 in New York.

FOREIGN EXCHANGE

U.S. investment funds have also become increasingly disenchanted with gold in recent weeks and many have reduced their holdings.

Their main concern is the alarming possibility that European central banks might be selling some gold to reduce government deficits.

Qualification for the first wave of countries to sign up for European monetary and economic union must be confirmed by the spring of 1998. Countries adopting the euro will surrender control of their gold reserves to the new European central bank.

In Brussels, the European Commission stressed that sales by central banks would be permitted only to reduce national debt levels and not government deficits.

■ Dollar Posts Gains

The dollar hit a 2-year high against the Deutsche mark and rose against other major currencies Wednesday, deriving strength from President Boris Yeltsin's health problems and speculation that Germany might lower interest rates, news agencies reported from New York.

The dollar closed at 1.5750 Deutsche marks, up from 1.5643 DM on Tuesday, and at 115.82 yen, up from 115.195 yen.

Against other major currencies, the dollar closed at 5.3205 French francs, up from 5.2838 francs, and at 1.3645 Swiss francs, up from 1.3535 francs. The pound closed at $1.6880, down from $1.6948.

The Deutsche slipped after a German news agency reported December job figures, due Thursday, would show a record 4.1 million unemployed. The report spurred talk the Bundesbank might cut interest rates.

Falling stock prices in Japan supported the dollar against the yen as investors who sold shares converted the yen proceeds into other currencies, especially dollars, traders said. "Japanese and foreign investors are seeking higher yields elsewhere," said Paul Farrell, of Chase Manhattan Bank. *(Bloomberg, AFP, AP)*

AMEX

Wednesday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	298	16¼	15⅞	16	—⅛
ARC	706	3⅝	3½	3½	—1/16
ARM F pt	219	25¾	25⅝	25¾	
AVIC Gen	142	3⅛	3	3	—⅛
AdiGrp s	262	11¼	11	11⅛	+⅛
AdmRsc	296	14⅛	14⅛	14⅛	+¼
AdvMed	2477	4⅞	4¾	4¾	+⅛
AirWat	591	7⅛	6⅞	7	
AHaagen	311	15½	15⅛	15⅛	—⅛
AlldRsh	947	7	6⅝	6⅝	—¼
Alphaln	232	7⅜	7¼	7⅜	+⅛
AMLvng n	699	12⅛	12	12	—⅛
Amdhl	7161	12	11⅝	11⅞	—⅛
AExpl	343	15⅛	15⅛	15⅛	
AIM 85	166	14⅞	14⅝	14⅝	—¼
AIM 88	202	14⅝	14	14	
AmList	1564	23⅞	23⅜	23⅝	—1½
AREInv	155	8⅝	8½	8½	—⅛
AScE	187	12⅞	12⅞	12⅞	
Ampal	328	5⅛	5	5	—⅛
Ampex n	7949	10¾	9⅞	10⅛	+⅜
Andrea	122	11⅝	11½	11½	
Armor n	119	7⅜	7⅛	7⅛	
Artvth	104	3⅝	3½	3½	—⅛
Astrotc	849	6⅛	6	6⅛	+⅛
Audvox	956	5⅝	5½	5½	—⅛
Autofatu	662	1¹¹⁄₁₆	1⅝	1⅝	
AvivaPet	123	3⅛	3	3	
Axogen un	273	27¼	26¾	27	
Azco	594	1⅝	1½	1½	
BAT Ind	289	16⅞	16⅝	16⅝	
Baker	111	6⅝	6⅛	6⅛	
Baldw	176	2⅝	2½	2½	
Balnty	118	19⅝	18⅝	18⅝	
BayMea	123	42⅝	41⅞	42⅝	+1⅛
BSJpn wt	205				
BeardCo	103	3⅞	3½	3½	
BemaGold	2602	5⅞	5⅝	5⅝	
BemPh	534	3⅛	3	3	
BemPh wt	860	1⅝	1	1⅛	
BnkMt	118	40	39⅞	39⅞	
BiscApo	122	1			
BlairCp	223	20⅞	20⅛	20⅛	
BoltTch n	798	5⅞	5⅝	5⅝	
Bosmtg	311	14⅞	14⅝	14⅞	
Bowmr	184	2⅝	2	2⅝	
Bowne	287	24⅛	24	24⅛	
Brandyw s	471	20	19⅝	19⅝	
Brscn g	217	22⅞	22⅛	22⅛	
CE Fmk g	102	4⅛	4	4	
Cablvsn	416	35	33⅞	33⅞	
Cablvs pf	711	22⅝	21⅞	21⅞	
CagleA	114	16⅞	15⅞	16⅛	—1⅛
Cambior	2297	13⅝	12⅞	12⅞	
Cambrx s	231	33⅞	33⅛	33⅛	
CdnOc g s	3751	16⅞	16⅛	16⅝	
CanyonRs	509	2⅝	2½	2½	
Caremrx n	391	15⅝	15⅛	15⅛	
CFCda g	780	4⅝	4⅜	4⅜	
ChadThr	190	15⅞	15⅝	15⅝	
Chief	1117	25	24⅝	24⅝	
ChfInt pf	722	31⅝	31⅛	31⅛	
CoastD	217	4	4	4	
Cognitrn	98	4⅝	4⅝	4⅝	
CohenStr	96	12	11⅞	12	
CaliLb	667	14⅛	13⅞	14	
CompTch	134	11⅞	11	11⅝	
CmpMun	1310	12⅝	12⅛	12⅛	
Comprek	102	5⅝	5½	5½	
Cmptrc	139	2⅜	2⅛	2⅛	
Continucre	223	8⅛	7⅞	8	
Cross	937	11⅛	11	11⅛	
CrowlMil	99	7⅝	7½	7½	
CybexInt	275	11⅛	10⅞	10⅞	
Cycom	447	3⅛	3	3	
DI Ind	3754	3⅜	2⅞	3	
DairyA	174	4⅛	4	4	
DakotaM	1504	1⅝	1⅛	1⅛	
ecDaliG	115	1			
Datamet	310	1⅜	1⅛	1⅜	
Dataram	413	10⅛	9⅞	10⅛	
DaytonMn	298	4⅝	4½	4½	
DevnE	1418	36⅛	36	36	
DiagRet	1018	13	12⅝	12⅞	
DigitlCT	249	1⅛	1	1	
Drewind	155	25	24⅝	24⅝	
DrvCal	131	8⅝	8⅝	8⅝	
DrylMu	246	10⅛	9⅞	10⅛	
EXX A	92	4⅝	4⅝	4⅝	
EZ Serv	277	1⅝	1⅝	1⅝	
EZEM B	232	12⅞	12	12⅞	
EchoBay	9266	6⅝	6	6⅛	
Edisto	485	9	8⅞	9	
Editek	546	1⅛	1	1	
ElPasoE n	1328	7⅞	6⅞	7⅛	
Eldorad	105	22⅝	22	22⅝	
Emrtus	226	12⅝	12⅛	12⅛	
EmerR	112	1⅛	1	1	
EmpCar	167	4⅝	4½	4½	
EnzBi	1306	20⅝	19⅝	20⅛	—1½
FemHth	145	3⅝	3⅝	3⅝	
Fibrbd	1577	33⅞	33	33	
FinFd s	140	16⅞	16⅝	16⅝	
FtAusf	447	8⅞	8⅝	8⅝	
FAusPr	3415	8⅝	8⅛	8⅛	
Fribr	1142	11	10⅝	10⅞	
ForstLb	4407	33⅛	32⅝	32⅝	
FortPet	339	2⅝	2½	2½	
FrnkSel	206	5⅝	5⅝	5⅝	
FreqEl	195	12	11⅝	11⅝	
GA Fncl n	99	15⅛	15	15	
GST Tele	561	9⅞	9⅛	9⅝	
GamaB	148	3⅝	3½	3½	
GayICh	1104	6⅝	6⅛	6⅛	
GeimSci	657	32⅝	32⅛	32⅛	
Gencor	132	20⅛	19⅝	19⅝	
GnAuto	183	7	7	7	
GenvDr	259	15	14⅞	14⅞	
GetchGld	1410	35⅛	34⅛	35	
GiantFd	1001	35	34⅝	34⅝	
Glatfit	317	18⅛	17⅞	17⅞	
GlobSml	144	11⅞	11⅝	11⅝	
Globink	721	3⅛	3	3	
GoVideo	114	1⅝	1½	1½	
GldStarR	641	13⅝	13	13⅝	
GldFld	93	⅞			
GrtcBayC	377	1⅝	1⅝	1⅝	
Greyhnd	3676	4⅝	4⅛	4⅛	
GrSimsc	93	3⅞	3⅝	3⅞	
HalEP	121	9	9	9	
Halsey	93	5⅛	5	5	
HalterM n	113	15	14⅝	15	
HangOr	183	6⅝	6⅝	6⅝	
HanvDir	2264	4⅝	4⅝	4⅝	
Han wtB	136				
Harken	16897	3⅝	2⅝	3⅝	
Hasbro	8650	37⅞	36⅞	37⅞	
HawAir	162	3⅛	3	3	
Hearx n	9707	3	2⅞	2⅞	
HallyCp	275	26⅛	24⅞	25⅝	
HomeVil n	888	18⅞	18	18⅞	
HomeV wt	181	8⅛	8	8⅛	
HovnEn	258	7⅝	7½	7½	
HungTel	98	10⅝	10⅝	10⅝	
ICG Com	888	16⅝	16⅝	16⅝	
ICI	744	7⅝			
Icunmx	2624	10	9	9⅞	
ImpCAlg	261	23⅜	23	23	—⅛
ImpOil g	867	47	46⅞	47	+⅛
IncMkt	122	11⅝	11½	11½	
IntegSys	102	3⅝	3½	3½	
InCtPd	1145	3¾	3⅝	3⅝	
InterDig	1317	6⅞	6⅝	6⅞	
eCInterline	320	1			
Intrmagn	621	13⅛	12⅞	13⅛	
IRIS	263	5⅝	5	5	
IntThrgh	150	3⅝	3½	3½	
IonLaser	215	12⅛	12	12	
IvaxCp	6698	11¼	10⅞	10⅞	
JTS Corp	2453	3⅛	2⅞	3	
JanBell	334	2⅝	2½	2½	
Jonelnt	199	13⅞	13⅝	13⅞	
Kaanes	1617	33⅞	31⅞	33	
KeyEng	465	11⅞	11⅝	11⅝	
KhoaNA	163	3⅝	3½	3½	
KogerEq	175	18⅛	17⅞	18	
LXRBiot	650	2⅞	2¾	2¾	
LaBarg	1894	7⅝	6⅞	7¼	
LsrTech	155	5⅛	4⅞	5	
LSR	171				
MagnPer	934	5	4¾	4¾	
MedcR	248	10⅝	10	10	
Medeva	155	17⅞	17⅝	17⅝	
Media	1551	30⅛	29⅝	30	
MediaLog	187	3⅞	3⅜	3½	
MercAir	183	7⅛	7	7	
Metromdq	1747	11	10⅝	11	
MidABc	112	19	18⅞	19	
MdofPty	219	11⅛	11⅛	11⅛	
MMed	93	10⅝	10½	10½	
MSCSCO	1409	46⅞	45⅝	46⅞	
MntosaE	102	3⅞	3¾	3⅞	
MumMtgn	225	16⅜	16⅛	16⅛	
Munvst	308	9⅛	8⅞	9	
MunyAZ	122	11⅛	11⅛	11⅛	
NTNCom	1837	3⅝	3½	3⅝	
Nabors	2854	20⅝	20⅛	20⅛	
NtPatnt	433	8⅝	8½	8½	
NatAlt	274	9⅛	9	9	
Netmed n	125	7⅞	7⅝	7⅝	
NY Times	1390	38⅞	37⅞	37⅞	
NA Vacc	427	24⅝	24⅛	24⅛	
Novavx	166	3⅝	3½	3½	
Numac	111	4	3⅞	3⅞	
NCAPI	231	12⅞	12⅝	12⅝	
OOluen	109	6⅞	6⅝	6⅝	
OmniMult	769	2⅞	2¾	2¾	
Oncor	1505	4⅞	4⅝	4⅝	
Oncormd	283	5⅝	5⅜	5⅜	
Organgn	741	23	22⅝	22⅞	
PC Quote	287	3	2⅞	3	
PLC Svs	1701	27⅛	26⅞	27	
PLM	122	3⅞	3	3	
PMC CT	128	17⅞	17⅛	17⅞	
PanAmC n	842	7⅞	7⅝	7⅞	
PaxsnC	3349	9⅜	8⅞	9⅛	
PegGld	3042	7⅜	7⅛	7⅛	
PenRE	153	24⅝	23⅞	24⅛	
PeopleTel	514	3⅝	3½	3½	
PermC	167	8⅝	8⅛	8⅛	
PhilMet	807	4⅞	4⅝	4⅝	
PicoPd	93	2⅝	2½	2½	
PinPsc	110	16	15⅞	15⅞	
Polymd	99	4⅝	3⅞	4	
Polyph	671	5⅜	5⅛	5⅛	
PradLa	2862	16	15⅞	16	
Pncell s	562	10⅝	9⅞	10	
ProActiv n	120	1⅞	1⅝	1⅝	
PropCT	223	8⅛	8	8⅛	
PsycCp	204	6	5⅞	6	
QC Optn	110	5⅝	5⅛	5⅝	
QC Opt wt	760	1⅝	1½	1⅝	
RF Pow	145	3⅝	2⅞	3	
RedEmp	1165	11⅛	11	11	
Relac	148	6⅛	6	6	
RegalBel	172	19⅞	19½	19⅝	
Riser	498	32	31⅝	31⅝	
Rogers	163	27⅝	27	27⅝	
RoyalO g	3582	3⅛	2⅞	3	
SC Bcp	111	9⅝	9⅜	9⅝	
SaboPet s	417	24⅞	24⅛	24⅛	
Selas	183	17⅞	16⅞	17	
Servica	505	18⅝	18⅛	18⅛	
ShellCm s	141	11⅞	11⅝	11⅝	
eSaligen	178				
SCEd pfP	136	24⅝	24⅝	24⅝	
SpatialT n	95	5⅝	5	5⅝	
SPDR	17104	75	74	74	
SP Mid	551	30	29	30	
StarrtCp	271	11	10⅞	11	
SterlA	204	1⅝	1		
SubstAbus	723	1⅝	1⅝	1⅝	
Sulcus	788	2⅝	2⅝	2⅝	
SunNur	123	1⅝			
SuprtyC	235	4⅞	4⅝	4⅝	
TabPrd	549	9⅝	9⅜	9⅜	
TelDta	1905	35⅞	34⅞	34⅞	
TexBiotch	523	4⅞	4⅝	4⅝	
TexBwt	172				
TexMer	480	16⅝	16⅛	16⅝	
Thermas	879	19⅞	18⅞	19	
ThrmBo n	238	14⅝	13⅞	14	
ThCar s	322	31⅛	30⅝	30⅝	
ThrFibr n	121	10⅝	10⅛	10⅛	
ThmFib s	113	9⅝	8⅞	8⅞	
ThrInst	346	33⅞	32⅞	32⅞	
ThrOptk n	214	12⅞	11⅞	12	
ThrmRt	94	8⅛	7⅞	8	
ThrSpct	274	14⅛	13⅞	14	
ThrVolt s	133	10⅝	10⅛	10⅝	
Thrmdse	492	16⅝	16	16⅛	
Thrmotx	628	30⅝	29⅝	29⅝	
Tipperary	92	4⅝	4½	4½	
TopSrce	677	2⅞	2¾	2⅞	
TotPet	536	10⅝	10⅛	10⅛	
TownCtry	5671	10	10	10	
TWA wt	182	4⅞	4	4⅛	
TWA	13921	7⅛	6⅞	6⅞	
Transmm n	139	14	13⅞	13⅞	
TrexMed n	619	17	14⅝	16	+1½
Trnstech	170	4⅝	4½	4½	
TubMex	5910	16⅛	15⅞	16⅛	
USFGP	107	18⅝	18⅛	18⅝	
UTI Eng	168	34⅝	32⅞	34⅝	+1⅞
UniMrt	619	5⅝	5	5⅛	
Unilab	1725	⅞			
Unimar	160	4⅞	4⅝	4⅝	
UFoodA	125	1⅜			
US Bio wt	221	5⅝	5	5⅝	
USBiosci s	3162	15⅝	14⅝	15⅛	
USCell	560	28⅞	27⅝	27⅝	
UnivtV	162	8	7⅞	8	
VKMAV	204	13⅞	12⅞	13⅞	
Viacom	2129	35⅞	34⅞	35	
ViacB	6826	36⅛	34⅝	35⅝	
Viac wtC	197				
Viac wtE	135				
VistaG p	227	1⅜	1⅛	1⅜	
Vitronic	340	1⅝			
VoyMN2	101	12⅛	12⅛	12⅛	
WRIT	1075	17⅞	17⅛	17⅛	
WIRET	335	13	12⅞	13	
Whtmn s	331	6⅛	5⅝	5⅝	
WirelsT s	523	11⅝	10⅞	11	
WEBBFra n	719	14⅛	14⅛	14⅛	
WEBGer n	99	14⅛	14	14	
WEB Jpn n	119	12⅛	12	12	
WEB Mex n	149	12⅝	12½	12½	
XCL Ltd	10294	¼			
Xytron	194	1			

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	330pm	Chg.
Indus	6629.14	6627.98	6536.78	6554.09	—46.57
Trans	2268.31	2269.85	2245.81	2252.90	—12.63
Util	233.72	234.49	232.74	233.72	+0.63
Comp	2064.87	2064.35	2042.24	2046.75	—11.32

Standard & Poors

	High	Low	Close	Chg.
Industrials	890.47	879.96	880.63	—7.31
Transp.	543.81	536.47	539.09	—2.78
Utilities	200.62	199.29	199.85	+0.06
Finance	82.90	81.77	81.91	+0.14
SP 500	755.72	747.71	748.41	—4.82
SP 100	741.89	732.60	733.22	—5.61

NYSE

	High	Low	Last	Chg.
Composite	398.29	394.81	395.25	—1.69
Industrials	504.48	499.23	499.82	—2.94
Transp.	354.63	351.28	352.48	—0.97
Utility	260.82	258.45	258.94	—0.98
Finance	354.66	351.07	351.73	+0.66

Nasdaq

	High	Low	Last	Chg.
Composite	1328.91	1321.70	1323.39	—4.34
Industrials	1135.33	1131.49	1132.66	—0.62
Banks	1281.39	1278.36	1279.92	+1.91
Insurance	1450.20	1438.84	1440.31	—10.02
Finance	1603.88	1594.77	1602.59	+7.63
Transp.	908.30	905.48	906.29	—1.65

AMEX

	High	Low	Last	Chg.
	577.82	575.60	576.72	+1.09

Dow Jones Bond

	Close	Chg.
20 Bonds	103.19	+0.20
10 Utilities	100.37	+0.34
10 Industrials	106.01	+0.07

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
AT&T s	65744	39	38⅛	38⅜	—½
Motorola	65882	64	63	63	+1½
FordM	58321	34⅝	33⅝	34⅛	—⅜
TelMex	54085	37⅝	36⅝	37⅝	+1⅝
Iomega s	52779	17⅞	16⅞	17	—⅛
Amre	49111	1⅝		⅞	
MicrnT	46771	32⅝	31⅛	31⅛	+⅛
Loewen	44709	37⅝	36⅝	36¾	—4⅛
WalMart	44391	24⅝	23⅝	23⅝	—⅛
Compaq	43264	74	72⅝	73⅛	—⅛
Seagate s	41884	43⅜	41⅝	42⅛	+¼
CmpAsc s	40951	49⅝	47⅝	48⅝	+⅞
CUC Intl s	38565	26⅛	25⅛	26⅛	+1⅛
K mart	38411	11	10⅝	10⅝	—½
CmpUSA s	37240	15⅛	14⅛	15⅛	+⅜

Nasdaq

	Vol.	High	Low	Last	Chg.
Shiva s	240369	21	18⅞	19¼	—15⅝
Intel	156480	145⅛	141¾	142¼	—1⅛
Netscpe	148523	54	47⅛	47⅞	—10⅞
AppleC	97869	18⅞	17⅝	17⅝	+⅛
WorldCm s	64573	27⅛	26⅝	26⅞	—⅛
US Robt s	64454	73⅝	68⅝	71⅛	+3
Microsft s	62857	85⅝	83⅛	83⅝	—1⅛
TeleComA	62244	14⅝	14⅛	14⅛	
Intel wt	59329	106⅝	102½	103¼	—1⅝
Informix	58560	22½	21⅛	21⅝	
Cisco s	56055	68⅝	66⅛	66⅛	—2
SunMic s	54667	27½	26⅛	26⅞	—⅜
MCI	51449	33⅛	32⅝	32⅞	—⅛
HBO s	47895	68	64⅛	66⅛	+2⅛
Ascend	47170	66⅛	63⅛	63⅝	—1⅛

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	17104	75	74	74	—⅝
Harken	16897	3⅝	2⅝	3⅝	+⅛
TWA	13921	7⅛	6⅞	6⅞	—⅝
XCL Ltd	10294	¼	⅛	¼	
Hearx n	9707	3	2⅞	2⅞	—⅛
EchoBay	9266	6⅝	6	6⅛	—⅛
Ampex n	7949	10¾	9⅞	10⅛	+⅜
IvaxCp	6698	11¼	10⅞	10⅞	
ViacB	6226	36⅛	34⅞	35⅝	+⅛
TubMex	5910	16⅛	15⅞	16⅛	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1252	1499
Declined	1290	1047
Unchanged	811	791
Total issues	3353	3337
New Highs	184	149
New Lows	29	27

Nasdaq

	Close	Prev.
Advanced	2198	2305
Declined	1875	1767
Unchanged	1658	1661
Total issues	5731	5733
New Highs	200	170
New Lows	53	65

AMEX

	Close	Prev.
Advanced	298	310
Declined	239	234
Unchanged	186	181
Total issues	723	725
New Highs	28	33
New Lows	7	7

Market Sales

	Today Close	Prev. cons.
NYSE	556.59	649.90
Amex	24.87	27.61
Nasdaq	624.94	577.74

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Comp Telecm-ChileADR		.1396	2-7	2-21
Embotellodr Andi-na		x .1061	1-24	—
Pfd Inco Fd	—	.087	1-24	1-31
Pfd Inco Managm-nt	—	.087	1-24	1-21
Pfd Inco OpptyFd	—	.073	1-24	1-31
Puget SoundPwr	—	.3543	1-17	2-15
STOCK SPLIT				
Horizon Mental 3 for 2 split.				
InVision Techs 2 for 1 split.				
STOCK				
Summit Fncl	—	5%	1-20	2-3
REVERSE STOCK SPLIT				
Synergy ResTech 1 for 5reverse split.				
INCREASED				
JSB Fncl	Q	.35	2-5	2-19
Rite Aid	Q	.20	1-20	1-27
REGULAR				
Adobe Systems	Q	.05	1-16	1-30
Alamo Group	Q	.10	1-16	2-3
All Amer Trm	M	.085	1-16	1-31
American List	Q	.30	1-30	2-6
Beauticont Cosm	Q	.105	1-15	2-3
Cented Fncl	Q	.09	1-24	2-7
Insurd MuniInco	M	.065	1-16	1-31
Invest GrdMunin	M	.075	1-16	1-31
Managed HI Yld	M	.1050	1-16	1-31
Merchants Bncp	Q	.14	1-17	1-31
New Hamp Thrft	Q	.125	1-18	1-27
Oxford Indus	Q	.20	2-14	3-1
Pacific Enterpr	Q	.36	1-21	2-14
Puget Sound Pwr	Q	.46	1-17	2-15
2002 TargetTrm	M	.0718	1-16	1-31
Voyageur AZ Muni	M	.064	1-17	1-28
Voyageur CO Muni	M	.0612	1-17	1-28
Voyageur FL Muni	M	.063	1-17	1-28
Voyageur MN Mu	M	.0775	1-17	1-28

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Jan. 8, 1997

Grains

CORN (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Mar 97	2.59¾	2.57½	2.59¼	+0.01	148,911
May 97	2.60	2.58½	2.59½		54,632
Jul 97	2.61¼	2.59¾	2.60½	—0.00¼	55,170
Sep 97	2.59¼	2.57¼	2.58¾	—0.00½	6,593
Dec 97	2.59	2.57¼	2.58¼	—0.01	37,792

Est. sales N.A. Tue's. sales 38,003
Tue's open int 306,867 up 1502

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Close	Chge	Opint
Jan 97	229.20	226.80	226.90	—2.80	8,581
Mar 97	223.10	219.60	220.20	—2.00	33,883
May 97	218.20	216.20	216.70	—1.50	17,904
Jul 97	217.30	216.00	216.40	—1.30	13,438
Aug 97	215.50	214.80	215.10	—0.90	2,745
Sep 97	213.00	211.30	211.30	—0.90	2,247

Est. sales N.A. Tue's. sales 17,124
Tue's open int 81,255 up 1942

SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.

	High	Low	Close	Chge	Opint
Jan 97	23.16	23.03	23.10	—0.05	4,695
Mar 97	23.56	23.37	23.45	—0.05	46,580
May 97	23.87	23.72	23.80	—0.04	15,471
Jul 97	24.15	24.02	24.09	—0.03	10,919
Aug 97	24.22	24.20	24.21	—0.03	2,232
Sep 97			24.32	—0.06	2,091

Est. sales N.A. Tue's. sales 26,084
Tue's open int 84,503 up 1107

SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Jan 97	6.97½	6.93	6.95½	—0.03	8,224
Mar 97	7.01¾	6.94¼	6.96	—0.04¼	66,087
May 97	7.00	6.94½	6.95¾	—0.03½	28,295
Jul 97	7.00	6.95	6.95¾	—0.03½	25,423
Aug 97	6.96½	6.94	6.94¼	—0.03¼	3,759

Est. sales N.A. Tue's. sales 35,547
Tue's open int 144,762 off 1008

WHEAT (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Mar 97	3.97½	3.93½	3.95	+0.02½	32,566
May 97	3.75	3.71½	3.72¼	+0.02¼	7,633
Jul 97	3.52¼	3.48½	3.49½	—0.00¼	20,526
Sep 97	3.56	3.54	3.54	—0.00½	1,130

Est. sales N.A Tue's. sales 10,142
Tue's open int 62,780 up 622

Livestock

CATTLE (CMER) 40,000 lbs. - cents per lb.

	High	Low	Close	Chge	Opint
Feb 97	64.52	64.02	64.27	—0.05	35,024
Apr 97	65.70	65.27	65.65	+0.28	25,963
Jun 97	63.30	62.92	63.22	+0.30	11,832
Aug 97	63.27	62.90	63.12	+0.25	10,976
Oct 97	66.07	65.70	66.02	+0.30	6,906
Dec 97	67.47	67.12	67.37	+0.32	2,609

Est. sales 14,794 Tue's. sales 21,508
Tue's open int 93,200 up 1269

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 97	67.87	67.35	67.67	+0.42	2,832
Mar 97	68.10	67.57	67.92	+0.50	6,351
Apr 97	68.45	67.95	68.40	+0.70	2,340
May 97	69.05	68.70	68.95	+0.45	3,286
Aug 97	71.00	70.68	70.97	+0.37	2,484
Sep 97	70.75	70.55	70.72	+0.42	382

Est. sales 2,752 Tue's. sales 3,210
Tue's open int 18,353 up 267

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Feb 97	78.85	77.50	77.65	—1.02	13,548
Apr 97	77.40	75.90	76.05	—0.82	6,806
Jun 97	80.25	78.92	79.15	—0.62	6,070
Jul 97	77.50	76.20	76.42	—0.78	1,353
Aug 97	74.07	73.10	73.37	—0.53	1,167
Oct 97	67.45	66.70	67.10	—0.15	1,092

Est. sales 9,590 Tue's. sales 5,869
Tue's open int 31,026 off 62

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Feb 97	81.40	79.42	79.52	—2.00	4,357
Mar 97	81.05	78.90	78.95	—2.05	1,080
May 97	81.20	79.30	79.45	—1.70	958
Jul 97	80.00	78.40	78.92	—1.05	525
Aug 97	76.00	74.20	74.20	—0.32	274

Est. sales 2,871 Tue's. sales 1,828
Tue's open int 7,194 up 267

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Close	Chge	Opint
Mar 97	1368	1355	1357	—13	29,286
May 97	1389	1378	1380	—11	14,738
Jul 97	1412	1400	1400	—12	10,769
Sep 97	1430	1420	1420	—13	7,047
Dec 97	1442	1438	1440	—9	2,009

Est. sales 8,385 Tue's. sales 8,712
Tue's open int 81,472 off 851

COFFEE C (NCSE) 37,500 lbs. - cents per lb.

	High	Low	Close	Chge	Opint
Mar 97	121.35	118.25	118.90	—0.45	21,559
May 97	119.00	116.10	116.68	—0.45	7,125
Jul 97	116.50	114.50	115.00	—0.15	2,310
Sep 97	115.00	112.50	112.90	—0.60	1,749

Est. sales 9,729 Tue's. sales 14,653
Tue's open int 34,419 up 2193

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 97	10.97	10.85	10.87	—0.09	78,395
May 97	11.02	10.93	10.94	—0.11	33,123
Jul 97	10.92	10.85	10.87	—0.08	26,103
Oct 97	10.89	10.81	10.84	—0.07	15,000

Est. sales 10,552 Tue's. sales 18,294
Tue's open int 159,381 up 561

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 97	79.30	78.20	79.15	+0.60	851
Mar 97	81.80	80.00	80.10	—1.40	20,045
May 97	85.00	83.30	83.30	—1.50	4,780
Jul 97	87.60	86.55	86.55	—1.65	992

Est. sales N.A. Tue's. sales 2,386
Tue's open int 27,280 up 168

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Jan 97			355.80	—3.00	
Feb 97	359.90	355.30	356.80	—2.90	99,885
Mar 97			357.50	—3.00	
Apr 97	361.50	357.00	358.50	—3.00	27,434
Jun 97	363.20	359.20	360.70	—3.00	16,769
Aug 97	364.00	363.20	363.20	—2.90	5,672
Oct 97			365.50	—3.00	2,432
Dec 97	369.40	366.60	367.90	—3.00	14,516

Est. sales N.A. Tue's. sales 45,709
Tue's open int 201,412 up 35

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 97	108.20	107.00	107.00	—1.20	4,873
Feb 97	106.60	105.80	105.90	—0.55	2,108
Mar 97	105.70	104.20	104.80	—0.35	25,565
Apr 97	103.50	103.50	102.80	—0.35	975
May 97	101.90	100.70	101.20	—0.65	5,109
Jun 97			100.15	—0.70	767
Jul 97	99.60	98.80	98.90	—0.75	3,429
Aug 97			98.00	—0.85	581
Sep 97	97.60	97.40	96.90	—0.95	2,594

Est. sales N.A. Tue's. sales 17,043
Tue's open int 54,792 up 2874

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Close	Chge	Opint
Jan 97			462.2	—5.0	7
Feb 97			464.1	—5.0	2
Mar 97	471.0	464.0	466.0	—5.0	60,901
May 97	473.0	469.0	470.3	—5.1	9,906
Jul 97	477.0	472.5	474.8	—5.1	8,348
Sep 97	479.5	479.5	479.3	—5.1	2,952
Dec 97	488.0	484.5	486.1	—5.1	5,003
Jan 98			488.9	—5.1	9

Est. sales N.A. Tue's. sales 13,343
Tue's open int 89,321 off 407

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Jan 97	360.50	358.50	359.40	—4.10	166
Apr 97	367.50	362.20	363.90	—3.20	19,619
Jul 97	367.00	366.00	366.40	—3.20	2,485
Oct 97	369.00	367.50	368.90	—3.20	2,163
Jan 98			371.40	—3.30	1,073

Est. sales N.A. Tue's. sales 2,442
Tue's open int 25,587

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1545.00	1546.00	1525.00	1526.00
Forward	1577.00	1577½	1556½	1557.00
Copper Cathodes (High Grade)				
Spot	2381.00	2382.00	2235.00	2240.00
Forward	2242.00	2243.00	2213.00	2214.00
Lead				
Spot	689.00	690.00	688.00	689.00
Forward	697.00	698.00	693.00	694.00
Nickel				
Spot	7060.00	7065.00	6950.00	6955.00
Forward	7165.00	7166.00	7038.00	7040.00
Tin				
Spot	5775.00	5780.00	5705.00	5715.00
Forward	5835.00	5840.00	5770.00	5775.00
Zinc (Special High Grade)				
Spot	1047.00	1047½	1046.00	1047.00
Forward	1070.00	1071.00	1068.00	1069.00

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Mar 97	94.94	94.91	94.91	—0.01	4,926
Jun 97	94.79	94.76	94.76	—0.01	2,721
Sep 97	94.61	94.55	94.55	—0.03	53

Est. sales 427 Tue's. sales 319
Tue's open int 7,700 up 132

5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	106-12	106-02	106-03	— 01	160,899
Jun 97	105-295	105-26	105-26	— 01	3,136

Est. sales 35,500 Tue's. sales 41,099
Tue's open int 164,035 up 6832

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	108-20	108-05	108-08	— 01	301,902
Jun 97	107-31	107-19	107-21	— 01	11,714
Sep 97			107-06	— 01	180

Est. sales 68,856 Tue's. sales 79,703
Tue's open int 314,334 up 3843

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Mar 97	111-12	110-18	110-20	— 05	440,114
Jun 97	110-26	110-03	110-06	— 06	15,945
Sep 97	110-11	109-23	109-24	— 06	5,232
Dec 97	109-26	109-10	109-10	— 06	3,743

Est. sales 330,000 Tue's. sales 342,533
Tue's open int 465,097 up 4877

GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	99.92	99.66	99.84	+ 0.26	214,546
Jun97	99.00	98.84	98.92	+ 0.24	567

Est. sales: 146,260. Prev. sales: 186,029
Prev. open int.: 215,113 up 8,370

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar97	108-19	108-11	108-14	+ 0-05	133,274
Jun97	107-27	107-27	107-26	+ 0-07	12

Est. sales: 30,032. Prev. sales: 54,778
Prev. open int.: 133,286 off 503

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	96.				
Mar 97	128.38	128.14	128.22	+0.20	177,379
Jun 97	126.92	126.80	126.84	+0.18	8,460
Sep 97	125.20	125.20	125.20	+0.16	100
Dec 97	N.T.	N.T.	94.58	+0.20	0

Est. volume: 102,307. Open int.: 125,939 up 55.

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Close	Chge	Opint
Jan 97	94.450	94.430	94.440	—5	34,063
Feb 97	94.430	94.410	94.410		4,567
Mar 97	94.400	94.370	94.380		411,482
Jun 97	94.230	94.180	94.190	—10	337,828
Mar 00	93.250	93.170	93.180	—20	38,312
Jun 00	93.190	93.110	93.120	—20	35,725
Sep 00	93.140	93.060	93.070	—20	31,037
Dec 00	93.050	92.970	92.980	—20	34,806

Est. sales 283,932 Tue's. sales 319,169
Tue's open int 2,110,843 up 16519

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Close	Chge	Opint
Mar 97	1.6936	1.6812	1.6848	—70	41,470
Jun 97	1.6830	1.6770	1.6808	—64	2,221
Sep 97			1.6768	—58	1,027
Dec 97			1.6728	—52	7

Est. sales 8,517 Tue's. sales 6,395
Tue's open int 44,725 off 222

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Close	Chge	Opint
Mar 97	.7445	.7395	.7433	+31	48,927
Jun 97	.7485	.7447	.7473	+31	7,928
Sep 97	.7520	.7484	.7508	+31	3,414
Dec 97	.7540	.7520	.7541	+31	355

Est. sales 15,027 Tue's. sales 12,738
Tue's open int

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Close	Chge	Opint
Mar 97	.6426	.6368	.6377	—47	62,311
Jun 97	.6432	.6400	.6417	—47	4,919
Sep 97			.6458	—47	1,775
Dec 97			.6499	—47	17

Est. sales 19,215 Tue's. sales 15,005
Tue's open int 69,022 up 100

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Close	Chge	Opint
Mar 97	.008775	.008708	.008721	—45	68,783
Jun 97	.008838	.008823	.008834	—47	1,897
Sep 97			.008952	—46	370

Est. sales 12,363 Tue's. sales 21,826
Tue's open int 71,117 up 1152

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Close	Chge	Opint
Mar 97	.7444	.7362	.7376	—62	46,700
Jun 97	.7472	.7432	.7444	—62	1,545
Sep 97	.7539	.7510	.7514	—62	1,813

Est. sales 12,464 Tue's. sales 14,367
Tue's open int 50,060 up 169

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	93.38	93.34	93.37	+ 0.05	95,818
Jun97	93.08	93.04	93.07	+ 0.05	89,223
Sep97	92.86	92.81	92.84	+ 0.05	54,331
Dec97	92.69	92.64	92.67	+ 0.06	45,659
Mar98	92.58	92.51	92.56	+ 0.07	33,128
Jun98	92.50	92.45	92.49	+ 0.07	23,727
Sep98	92.42	92.40	92.42	+ 0.06	18,193
Dec98	92.35	92.33	92.33	+ 0.05	15,470
Mar99	92.28	92.25	92.26	+ 0.04	7,834
Jun99	92.21	92.18	92.19	+ 0.06	5,113
Sep99	92.12	92.10	92.11	+ 0.05	4,482
Dec99	92.06	92.05	92.06	+ 0.05	1,641

Est. sales: 59,945. Prev. sales: 66,508
Prev. open int.: 394,619 up 3,144

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	96.91	96.88	96.90	+ 0.01	212,852
Jun97	96.89	96.83	96.87	+ 0.04	168,884
Sep97	96.77	96.70	96.75	+ 0.06	136,114
Dec97	96.56	96.49	96.55	+ 0.07	129,056
Mar98	96.32	96.25	96.31	+ 0.07	87,303
Jun98	96.05	95.98	96.05	+ 0.08	72,277
Sep98	95.75	95.68	95.75	+ 0.08	63,471
Dec98	95.44	95.37	95.44	+ 0.08	55,064
Mar99	95.17	95.09	95.16	+ 0.09	38,246
Jun99	94.89	94.80	94.88	+ 0.09	22,099
Sep99	94.61	94.55	94.62	+ 0.09	15,364
Dec99	94.35	94.29	94.35	+ 0.09	3,014

Est. sales: 177,843. Prev. sales: 112,455
Prev. open int.: 1,004,644 up 10,766

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar97	93.43	93.39	93.40	+ 0.01	96,196
Jun97	93.85	93.82	93.84	+ 0.03	56,884
Sep97	94.05	94.01	94.04	+ 0.04	31,007
Dec97	94.09	94.04	94.07	+ 0.04	17,716
Mar98	94.06	94.04	94.05	+ 0.04	12,389
Jun98	94.02	93.99	94.01	+ 0.04	2,984

Est. sales: 30,330. Prev. sales: 23,081
Prev. open int.: 217,176 up 1,367

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 97	96.77	96.73	96.76	+0.05	80,633
Jun 97	96.80	96.73	96.78	+0.08	37,727
Sep 97	96.73	96.65	96.70	+0.08	28,253
Dec 97	96.60	96.54	96.58	+0.08	19,014
Mar 98	96.41	96.35	96.40	+0.09	15,133
Jun 98	96.18	96.11	96.17	+0.08	12,381
Sep 98	95.93	95.89	95.93	+0.09	11,480
Dec 98	95.65	95.58	95.64	+0.08	8,498
Mar 99	95.35	95.28	95.34	+0.08	11,533
Jun 99	95.05	95.00	95.05	+0.07	5,730
Sep 99	94.80	94.73	94.78	+0.07	2,070
Dec 99	94.52	94.48	94.52	+0.06	734

Est. volume: 58,680. Open int.: 223,196 up 8,529.

Industrials

COTTON 2 (NCTN) 50,000 lbs - cents per lb.

	High	Low	Close	Chge	Opint
Mar 97	74.20	73.61	73.96	+0.33	22,374
May 97	75.40	75.05	75.35	+0.22	14,069
Jul 97	76.55	76.20	76.43	+0.20	7,463
Oct 97	76.65	76.60	76.72	+0.07	1,306
Dec 97	76.60	76.25	76.47	+0.07	9,884
Mar 98	77.40	77.25	77.37	+0.02	454

Est. sales N.A. Tue's. sales 12,690
Tue's open int 55,932 up 772

HEATING OIL (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Feb 97	73.80	71.50	73.20	-2.71	43,501
Mar 97	71.50	69.50	71.00	-0.56	16,770
Apr 97	67.50	66.40	67.80	-2.76	8,942
May 97	64.20	63.30	64.20	-0.41	4,685
Jun 97	62.00	61.25	61.55	-0.31	5,349
Jul 97	60.60	60.00	60.60	-0.11	3,304
Aug 97	59.90	59.90	59.90	-0.54	3,207
Oct 97	61.30	61.30	61.30	-0.41	1,811
Nov 97	61.55	61.55	61.55	-0.41	1,336
Feb 98	60.70	60.70	60.70	-0.21	824

Est. sales N.A. Tue's. sales 2,821
Tue's open int 99,722 up 590

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Close	Chge	Opint
Feb 97	26.45	25.85	26.60	+0.37	91,462
Mar 97	25.95	25.17	25.90	-0.36	45,494
Apr 97	25.22	24.54	25.20	+0.37	29,278
May 97	24.50	24.00	24.50	-0.35	20,155
Jun 97	23.85	23.22	23.80	-0.30	31,854
Jul 97	23.25	22.80	23.23	-0.31	14,673
Aug 97	22.71	22.20	22.71	-0.30	13,519
Sep 97	22.22	21.80	22.22	+0.27	13,451
Oct 97	21.67	21.35	21.67	+0.15	9,284
Nov 97	21.37	21.17	21.37	-0.21	8,129
Dec 97	21.10	20.74	21.10	-0.34	22,771
Jan 98	20.52	20.50	20.70	-0.09	9,176
Dec 00	19.45	19.40	19.45	+0.25	801

Est. sales N.A. Tue's. sales 71,528
Tue's open int 372,731 off 1015

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Close	Chge	Opint
Feb 97	3.570	3.320	3.513	-179	33,897
Mar 97	3.200	3.030	3.176	+150	23,090
Apr 97	2.680	2.565	2.660	+94	12,644
May 97	2.370	2.300	2.350	+34	9,713
Jun 97	2.250	2.190	2.250	+21	8,357
Jul 97	2.250	2.180	2.220	+1	7,598
Aug 97	2.245	2.180	2.215	—1	7,087
Sep 97	2.240	2.180	2.220	-1	6,617
Oct 97	2.240	2.180	2.220	—4	4,777
Nov 97	2.350	2.310	2.325	-5	3,775
Dec 97	2.450	2.390	2.430	+20	7,843

Est. sales N.A. Tue's. sales 49,707
Tue's open int 156,391 up 3148

UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Feb 97	72.40	70.70	72.19	+0.09	36,348
Mar 97	72.10	70.40	71.92	+0.37	10,700
Apr 97	73.30	71.80	73.20	+0.58	6,555
May 97	72.05	71.15	72.40	-0.55	4,227
Jun 97	70.71	69.70	70.90	-0.59	3,433
Jul 97	68.30	68.30	69.80	-0.59	1,563

Est. sales N.A. Tue's. sales 24,905
Tue's open int 63,401 up 1859

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Close	Chge	Opint
Jan 97	230.50	227.50	230.25	+0.75	10,908
Feb 97	226.25	223.75	226.00	—0.25	25,168
Mar 97	217.00	214.50	216.25	—0.75	9,665
Apr 97	206.75	205.25	206.75	—0.25	8,142
May 97	199.00	198.25	199.00	—0.25	3,176
Jun 97	193.00	193.00	193.00	—0.25	7,351
Jul 97	N.T.	N.T.	190.50	—0.25	2,474
Aug 97	N.T.	N.T.	189.50	—0.50	1,016
Sept 97	189.50	188.50	188.25	—0.50	476
Oct 97	188.75	187.75	187.50	—0.50	841
Nov 97	188.00	187.50	187.00	Unch.	270

Est. sales: 17,033. Open int.: 71,737 off 2,804

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Close	Chge	Opint
Mar 97	763.50	751.30	754.80	—4.85	186,317
Jun 97	768.80	758.00	762.30	—3.90	6,714
Sep 97	767.00	765.20	767.00	—6.20	1,534
Dec 97	782.90	772.70	780.10	—0.55	552

Est. sales N.A. Tue's. sales 76,737
Tue's open int 195,119 up 3253

FTSE 100 (LIFFE) £25 per index point

	High	Low	Close	Chge	Opint
Mar97	4106.0	4083.0	4086.0	+ 4.0	56,482
Jun97	N.T	N.T	4108.0	+ 4.0	2,844
Sep97	N.T	N.T	4136.0	+ 4.0	1,382

Est. sales: 10,357. Prev. sales: 11,132
Prev. open int.: 60,708 up 1,057

CAC 40 (MATIF) FF200 per index point

	High	Low	Close	Chge	Opint
Jan 97	2338.0	2319.0	2305.0	+0.00	21,118
Feb 97	2347.0	2326.5	2309.5	+0.00	2,645
Mar 97	2347.5	2330.0	2315.5	+0.00	15,522
Jun 97	2308.0	2299.5	2277.5	+0.00	825
Sep 97	2315.5	2315.5	2287.5	+0.00	6,376
Mar 98	2345.5	2345.5	2326.0	+0.00	4,693
Sep 98	N.T.	N.T.	2300.0	+0.00	660

Est. volume: 17,372. Open int.: 51,839 up 1,103.

Spot Commodities

	Today	Prev.
Aluminum, lb	0.692	0.69
Copper electrolytic, lb	1.13	1.09
Iron FOB, ton	167.00	167.00
Lead, lb	0.50	0.50
Silver, troy oz	4.65	4.67
Steel (scrap), ton	109.17	109.17
Tin, lb	3.8951	3.8798
Zinc, lb	0.5276	0.5276

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Commodity Indexes

	Close	Previous
Moody's	1,451.20	1,444.40
Reuters	1,890.00	1,874.10
D.J. Futures	148.13	148.28
CRB	242.17	242.38

France Will Privatize Aerospace Company After Spring Merger

Compiled by Our Staff From Dispatches

PARIS — The French state-owned aerospace company, Aerospatiale, will merge with Dassault Aviation SA by the end of the spring, and the new group will become private "as soon as possible," a Defense Ministry official said Wednesday.

"If we put everything together," the official said, "at the end of the spring, the merger will be entirely complete."

"As for the privatization of the new group, the government wants it to be done in the immediate aftermath and will ask the two company chairmen to think about it now and make proposals," the official said.

The Finance Ministry said Tuesday that Aerospatiale and Dassault, France's biggest aircraft maker, would be combined to form a company with a single supervisory board and one set of executive directors. It called the merger the first stage in the privatization of the new group but did not give a timetable for the operation.

The government said it would ask France's independent privatization commission to make valuations for the two companies and rule on the merger terms. Paris must then approve the merger, which would be carried out after it was approved by stock market authorities.

The government's decision to wait for the privatization commission's approval before setting final terms is a sign that Paris is treading carefully, analysts said.

Last year, the government abandoned its plan to sell Thomson SA to Lagardere Group after the privatization commission objected to the subsequent sale of the Thomson Multimedia unit to Daewoo Electronics Co. of South Korea. The decision to freeze the sale prompted an official protest from the South Korean government and scorn in financial and political circles.

The group formed from the merger of Dassault and Aerospatiale would pool much of its research and purchasing, and create centralized departments to oversee finance, industrial strategy, quality, human resources, communications, and legal affairs, the Finance Ministry said.

The group's industrial operations would be focused on units handling combat and business jets, passenger aircraft, space, defense, helicopters, and maintenance, it said.

The official at the Defense Ministry said Dassault Systemes SA, which specializes in computer-assisted design and manufacturing programs, would not be part of the merged group "because of the nature of its business and its clients." Dassault owns 39 percent of Dassault Systemes.

The official said a name for the new company had not been chosen. *(Reuters, AFP)*

Arianespace Seeks More Partnerships

Compiled by Our Staff From Dispatches

PARIS — Europe's Arianespace said Wednesday it expected to remain the world leader in commercial satellite launches, but it conceded it could not maintain more than a 50 percent market share and would seek more partnerships.

"We will remain the leader, but not all alone," the group's chief executive, Charles Bigot, said at a press conference to discuss the group's future. "We will have to diversify and have international cooperation."

While Ariane launched a record 15 satellites in 1996 and won a record 19 new contracts, it faces an erosion of its former near monopoly. Burgeoning demand for new telecommunications and multimedia services has produced the need for more satellite launches, drawing new competitors into the market, analysts said.

In addition, Ariane is in the process of shifting satellite customers from its very reliable Ariane 4 rocket to its more powerful but largely untested Ariane 5 vehicle, the prototype for which blew up last June.

A source close to the company said he expected Arianespace to post 1996 net profit of about 150 million francs ($28.4 million), compared with 190.7 million in 1995. *(Reuters, Bloomberg)*

Lazard Chief Plans to Stay

David-Weill Denies Talk of Succession Battle

Bloomberg Business News

PARIS — The chairman of Lazard Freres & Co., Michel David-Weill, has said that he has no immediate plans to step down and that he has not appointed a successor.

Mr. David-Weill's remarks, published Wednesday in Les Echos, a business daily, and Le Figaro, a national newspaper, were his first public comments on reports that Lazard is in the throes of a succession battle.

The reports said Edouard Stern, a Lazard partner and Mr. David-Weill's son-in-law, no longer was the heir apparent at the investment company.

A Lazard representative in Paris said he had nothing to add to the interviews. A spokeswoman in London also would not comment.

"Edouard Stern is an important partner of Lazard, in whom I place full trust and who I believe is set to become a distinguished investment banker," Mr. David-Weill said, according to the published interviews.

Asked whether Mr. Stern would still be at Lazard in a year, he said, "I truly believe it."

He denied that Mr. Stern was ever singled out as next in line for the top job.

"There never was a successor," he said.

Mr. David-Weill also denied reports that he excluded Mr. Stern from Lazard's mergers-and-acquisitions team. He said he hoped Mr. Stern would help develop a venture-capital division at Lazard because it had the resources to do so.

A report released in Paris this week showed that Goldman, Sachs & Co., a U.S. securities firm, had dethroned Lazard as the foremost broker of French mergers and acquisitions in 1996.

Goldman was an adviser on nine deals worth 107.5 billion francs ($20.37 billion), compared with Lazard's 30 transactions worth 106.4 billion francs, according to a ranking published by Capital Finance, a weekly magazine.

Mr. David-Weill, 64, indicated that he was in no rush to step down. He said it would be "mad" for him to appoint an heir apparent because if the person did not take over within two years, he or she would have no authority.

He said he was "not sure" of the form of management that would be best suited to Lazard in the future. He did not rule out a "collegial" management structure such as the one in place at some U.S. investment houses.

Le Figaro quoted Mr. David-Weill as saying that Lazard generated record commissions of slightly less than 1 billion francs on advisory services last year.

"We even had a record year in terms of profits," Mr. David-Weill said, without elaborating.

Lazard's chairman told Le Figaro that, in the past, Lazard's dominant position in the French mergers-and-acquisitions market was due to the fact that it was unrivaled: Competing investment banks were nationalized by the incoming Socialist government in 1981.

"That situation was an abnormal one," he said.

Deutsche Bank Restructures to Cut Costs

Bloomberg Business News

FRANKFURT — Deutsche Bank AG said Wednesday it planned to divide its domestic retail business into four separate units in a bid to reduce costs further.

Under the new structure, there will be separate units for branch sales and customer service; new sales strategies and operations processing; marketing and product management, and private banking.

The reorganization is expected to save Germany's biggest bank "a few hundred million marks" over the next few years, said Teseen von Heydebreck, a Deutsche Bank management board member.

Deutsche Bank announced in July a reorganization of its global businesses into four divisions.

Deutsche shares rose Wednesday in Frankfurt by 1.90 Deutsche marks ($1.22) to 73.95 DM.

Citing Fraud, AOL Halts Russian Service

Compiled by Our Staff From Dispatches

With its service costing an extra $34 an hour in Russia, America Online Inc. became suspicious when it noticed a surge in calls among subscribers.

"When you start seeing people on-line for hours at a time, you begin to think 'How can people afford this?' " an America Online spokeswoman said.

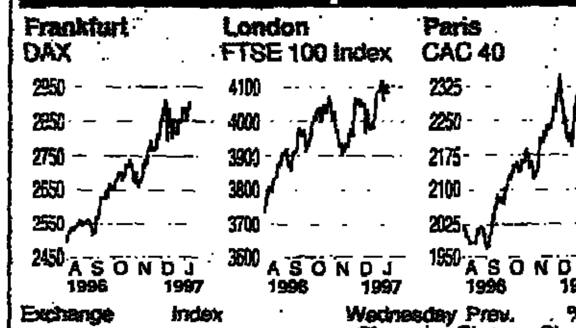
The answer was, they could not. In fact, AOL found so much fraud involving stolen credit-card numbers, stolen account passwords and other fraudulent means to get free Internet access that on Dec. 14 it cut all direct service in Russia.

About 2,000 customers who travel or live in Russia have been affected by the shutdown, AOL said. AOL access lines let customers connect to the service in about 40 Russian cities, although the company does not market its service in Russia.

The on-line service canceled some of the accounts it determined were being used fraudulently and is still investigating other accounts. AOL said it did not know when it would begin offering the Russian service again.

AOL is the largest U.S. on-line service, with about 7 million subscribers. *(AP, Bloomberg)*

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	652.34	648.29	+0.62
Brussels	BEL-20	1,904.82	1,891.94	+0.68
Frankfurt	DAX	2,906.34	2,886.13	+0.70
Copenhagen	Stock Market	486.65	483.08	+0.74
Helsinki	HEX General	2,616.71	2,543.68	+2.87
Oslo	OBX	559.96	552.53	+1.34
London	FTSE 100	4,087.50	4,078.80	+0.21
Madrid	Stock Exchange	453.93	447.57	+1.42
Milan	MIBTEL	10,730.00	10,592.00	+1.30
Paris	CAC 40	2,331.62	2,301.69	+1.30
Stockholm	SX 16	2,582.99	2,520.85	+2.47
Vienna	ATX	1,137.28	1,137.09	+0.02
Zurich	SPI	2,527.86	2,510.80	+0.65

Source: Telekurs — International Herald Tribune

Very briefly:

- **Argentaria SA**, a Spanish banking concern, raised its stake in **Telefonica de Espana SA** to 5.21 percent from 2.12 percent, in an operation valued at 63.4 billion pesetas ($482.4 million). The purchase comes only weeks before the telecommunication group is fully privatized and Argentaria said it did not rule out further purchases.
- **The French state** will take responsibility for 134.2 billion francs ($25.43 billion) of debt relating to the infrastructures of the national railway system, **Societe Nationale des Chemins de Fer Francais**, as part of the reform of the SNCF, a source close to talks on the reform plan said.
- **Fidelity Brokerage Services**, a European brokerage arm of **FMR Corp.'s Fidelity Investments**, said about 1,000 clients have complained about mistakes in its new computer system; they could be eligible for compensation.
- **Germany** had stronger-than-expected demand for its new 10-year bond, as the Bundesbank sold 6.86 billion Deutsche marks ($4.39 billion) of the bond in its second tranche, satisfying less than a third of bids in its new year sale. Analysts said the strong sales highlighted expectations that German inflation would remain low.
- **Ladbroke PLC's Hilton International** has agreed to buy a Spanish hotel company, **Promociones Eurobuilding SA**, for between 6.5 billion and 7 billion pesetas, the Spanish Securities Exchange Commission said.
- **Banca Antoniana Popolare Veneta SpA** is in talks to acquire **Interbanca SpA** and as many as 75 branch offices from **Banca di Roma SpA**, Italy's second largest commercial bank, the two banks said.
- **Volkswagen AG** will assemble up to 6,000 small-cylinder Polo cars at its Poznan factory in Poland during 1997.
- **Italian** consumer prices rose by 3.9 percent in 1996, down from an increase of 5.4 percent in 1995, according to the national statistical institute.

Reuters, AFP, AFX, Bloomberg

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	149.40	-0.41	–0.27	+13.29
Regional Indexes				
Asia/Pacific	121.30	-1.35	–1.10	–9.65
Europe	159.06	+0.37	+0.23	+14.28
N. America	164.67	-1.17	–0.71	+28.37
S. America	122.15	+1.99	+1.66	+37.19
Industrial Indexes				
Capital goods	172.95	-0.85	–0.49	+30.16
Consumer goods	161.74	-0.69	–0.42	+17.14
Energy	171.79	-0.15	–0.09	+26.67
Finance	114.77	-0.59	–0.51	–9.79
Miscellaneous	162.64	+0.61	+0.38	+19.76
Raw Materials	175.69	-0.29	–0.16	+23.90
Service	137.79	+0.26	+0.19	+14.82
Utilities	142.76	+0.09	+0.06	+12.29

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — *Compiled by Bloomberg Business News.*

WORLD STOCK MARKETS

Wednesday, Jan. 8
Prices in local currencies.
Telekurs

Amsterdam
EOE Index: 652.34 — Previous: 648.29

	High	Low	Close	Prev.
ABN-AMRO	112.10	111.30	111.80	111.20
Aegon	113.80	111.60	112.10	112.40
Ahold	107.40	106.30	107.40	105.90
Akzo Nobel	247	245.70	246.60	245.40
Boon Co.	65.90	63.20	65.10	63.40
Bols Wessanen	31.90	31.70	31.70	31.80
CSM cva	95.20	94.40	94.30	94.50
Dordtsche Pet	325	323	322.30	320.80
DSM	171.90	169.10	170.60	170
Elsevier	29	28.50	28.60	28.80
Fortis Amev	62.50	61.80	62.30	62
Getronics	49.80	47.80	49.40	48
G-Broc cva	54.30	53.50	54	54
Hagemeyer	144	141	143.30	147.40
Heineken	315.90	311.50	312.80	312
Hoogovens cva	71.30	70.20	70.90	70.30
Hunt Douglas	122	118.60	121	118.90
ING Group	64.50	63.80	64.50	63.40
KLM	48.60	47.70	47.70	48.10
KNP BT	37.60	37.10	37.40	37
KPN	65.50	64.90	65.10	64.80
Nedlloyd Gp	47.80	46.50	47.80	46.90
Nutricia	263.80	261.70	263.20	261.60
Oce Grinten	194.80	192.50	194.50	191.90
Philips Elec	72.10	69.80	71.90	69.40
Polygram	87.40	86.70	86.20	87.20
Randstad Hdg	129.50	126.10	128	127.30
Robeco	144.70	144.40	144.40	143
Rodamco	50.40	50.10	50.20	50.20
Rolinco	151.30	151	151	149
Rorento	105.70	105.50	105.70	105.10
Royal Dutch	305.70	303.40	303.70	301.70
Unilever cva	301.90	299.50	300.30	300
Vendex Intl	81.80	80.10	80.50	81
VNU	38	37.20	37.80	37.30
Wolters Kl cva	224.30	222.10	223.90	222.60

Bangkok
SET Index: 851.93 — Previous: 838.11

	High	Low	Close	Prev.
Adv Info Svc	286	256	256	270
Bangkok Bk F	278	264	272	269
Krung Thai Bk	54.50	51	51.50	50.50
PTT Explor	388	380	382	380
Siam Cement F	920	820	896	900
Siam Com Bk F	206	190	200	184
Telecomasia	52.50	50	52	49
Thai Airways	38.25	34.25	36.25	36
Thai Farm Bk F	185	178	184	185
Utd Comm	186	178	183	179

Bombay
Sensex 30 Index: 3288.88 — Previous: 3252.31

	High	Low	Close	Prev.
Bajaj Auto	924.75	905	917.75	914.75
Hindust Lever	844	818.75	838.25	805.50
Hindust Petlm	340	325	336	336.25
Ind Dev Bk	100.75	95.25	100	92
ITC	333.75	321.75	323	326
Mahanagar Tel	234	227.50	231	230.75
Reliance Ind	224	218	218.25	216
State Bk India	254.75	249.25	250	241.75
Steel Authority	24	22.75	23	23
Tata Eng Loco	354	346	346.75	353.50

Brussels
BEL-20 Index: 1904.82 — Previous: 1891.94

	High	Low	Close	Prev.
Almanij	10625	10600	10625	10600
Barco Ind	5300	5180	5200	5200
BBL	6690	6600	6660	6680
Bekaert	19400	19050	19275	19000
CBR	3150	3080	3090	3090
CNP	1970	1955	1960	1940
Cobepa	1220	1212	1220	1214
Cockerill	123	118	121	122
Colruyt	14200	14000	14000	13950
Delhaize Lion	1955	1940	1945	1925
Electrabel	7520	7470	7500	7470
Electrafina	3080	3025	3050	3050
Fortis AG	5220	5170	5200	5160
Gevaert	2260	2220	2250	2230
GIB	1460	1434	1452	1430
GBL	4125	4080	4115	4080
Gen Banque	11375	11300	11350	11325
Kredietbank	10400	10100	10250	10075
Petrofina	10800	10650	10725	10525
Powerfin	4760	4730	4730	4735
Royale Belge	6520	6480	6500	6480
Soc Gen Belg	2510	2485	2495	2485
Solvay	19800	19525	19725	19500
Tractebel	14775	14725	14725	14700
UCB	83100	82300	82450	82000
Union Miniere	2130	2090	2120	2115

Copenhagen
Stock Index: 486.65 — Previous: 483.08

	High	Low	Close	Prev.
BG Bank	292	288	290	283
Carlsberg B	402	397	397	398
Codan Fors	820	790	820	790
Danisco	361	357	359	359
Den Danske Bk	480	476	478	476
D/S Svendborg B	236000	234000	234000	235000
D/S 1912 B	165000	163500	164500	164000
FLS Ind B	781	770	780	775
Kob Lufthavne	651	634	650	640
Novo Nordisk B	548	540	544	548
Sophus Ber B	765	759	762	754
Tele Danmk B	328.32	325	326	329
Tryg Baltica	322	308.70	321	315
Unidanmark A	327	320	324	320

Frankfurt
DAX: 2906.34 — Previous: 2886.13

	High	Low	Close	Prev.
AMB B	950	912	912	962
Adidas	141	138.50	141	138.30
Allianz Hdg	2724	2690	2698	2714
Altana	1220	1198	1200	1194
Bk Berlin	31.50	30.25	30.30	30.30
BASF	57	55.82	55.82	56.97
Bayer Hypo Bk	46.80	46	46.70	46.25
Bay.Vereinsbank	61.30	61.10	61.18	60.05
Bayer	60.45	59.60	59.80	60.85
Beiersdorf	78.10	77.50	78.10	76.10
BMW	1055	1047	1053	1047
Commerzbank	42.68	42.35	42.68	41.15
Daimler Benz	110.50	108.70	110.50	108.95
Degussa	685	674	674	685
Deutsche Bank	74.15	72.58	73.95	72.05
Deut Telekom	31.75	31.63	31.70	32.18
Dresdner Bank	49.25	48.45	49.20	47.63
Fresenius	312	308	308	311.50
Fresenius Med	138.90	138	138.70	136.40
Fried. Krupp	255	248	251	245
Gehe	97	96.20	96.20	96.10
Heidelbg Zmt	127	127	127	125.50
Henkel pfd	80.95	79	80.35	77.90
Hochtief	61.75	61.50	61.60	61.50
Hoechst	70.70	69.35	69.90	71.55
Karstadt	507	501	507	515.80
Linde	999	993	996	976
Lufthansa	21.35	21.15	21.35	21.35
MAN	403.50	399.40	403.50	391
Mannesmann	675	667	675	664.50
Metallgesellschaft	31.45	31.15	31.45	31.20
Metro	126	122.50	123.50	124.70
Munich Rueck R	3675	3650	3664	3675
Preussag	381.50	377	377.50	372.50
RWE	66.60	66	66.50	64.95
SAP pfd	215.30	213.50	213.50	214.70
Schering	132.80	131.50	132.50	132.90
Siemens	76.58	74.88	76.48	74.83
Thyssen	285.50	282.50	285.50	282.50
Veba	93.20	92.60	92.60	92
VEW	495	495	495	499
Viag	633	619.50	628.50	612.50
Volkswagen	676	662.50	675.50	653.80

Helsinki
HEX General Index: 2616.71 — Previous: 2543.68

	High	Low	Close	Prev.
Cultor I	255	248	252	246
Enso A	39.50	39	39.20	38.80
Huhtamaki I	219.50	215	218	216
Kemira	57.70	57	57.30	57.60
Kesko	67	66.30	66.80	65.90
Merita A	14.50	14.20	14.20	14.30
Metra B	263	259	263	259
Metsa-Serla B	37	36	36.90	35.80
Neste	117	115	115	114
Nokia A	291.50	279	290.50	272
Orion-Yhtymae	179	177.50	178.50	177
Outokumpu A	79.10	78.50	78.50	78.50
Rautaruukki	45	43.90	44.90	42.50
Sampo Insur	368	363	368	366
UPM-Kymmene	100.90	98.50	99.50	98.50
Valmet	82.80	82.50	82.50	82

Hong Kong
Hang Seng: 13454.93 — Previous: 13428.16

	High	Low	Close	Prev.
Amoy Props	11.15	10.90	10.90	11
Bk East Asia	34.30	34	34.10	34
Cathay Pacific	12.10	11.90	11.90	12.10
Cheung Kong	75	72.75	74.75	73
CK Infrastruct	21.90	21.20	21.75	21.25
China Light	34.90	34	34.10	34.70
China Oseas Ld	4.08	3.95	4.03	4.08
China Res Ent	17.40	16.10	16.75	17.35
Chic Estates	8.90	8.70	8.70	8.90
Citic Pacific	40.50	39	39.80	39.20
Cons Elec Pwr	18.25	18.20	18.20	18.20
Cosco Pacific	8.85	8.50	8.70	8.90
Dao Heng Bk	39.20	38	38.90	37.80
First Pacific	9.85	9.55	9.60	9.80
Great Eagle	34	33.20	33.20	34.10
Guangdong Inv	7.50	7.25	7.35	7.30
Guoco Group	44.90	44.20	44.60	44.70
Hang Lung Dev	16.70	16.45	16.55	16.60
Hang Seng Bk	93	92.25	92.25	92.25
Henderson Inv	9.15	8.95	9	9.05
Henderson Ld	76.25	75	76	74.75
HKR Intl	13.40	13	13.10	13.20
HK China Gas	14.95	14.80	14.90	14.75
HK Electric	27.65	27.05	27.15	27.60
HK Shang Htls	14.65	14.50	14.55	14.55
HK Telecomm	12.50	12.25	12.45	12.45
Hopewell Hdgs	4.93	4.78	4.88	4.85
HSBC Hdgs	168.50	167.50	167.50	167.50
Hutchison Wh	62	60.50	60.50	61.25
Hysan Dev	30.40	29.80	30.40	29.90
Johnson El Hdg	22.10	21.80	22.05	21.90
Kerry Props	28.50	28.20	28.20	28.80
Natl Mutual	7.30	7.05	7.10	7.40
New World Dev	54	52.25	54	53.75
N World Infrastr	23.10	21.90	22.20	23
Oriental Press	3.60	3.50	3.52	3.60
Pearl Oriental	4.88	4.73	4.85	4.83
Shanghai Inds	28.40	26	27.80	26.70
Shangri-La Asia	11.85	11.75	11.75	11.75
SHK Props	95.50	94.50	95.25	94.25
Shun Tak Hdgs	5.25	5.10	5.10	5.05
Sino Land Co.	9.40	9.25	9.35	9.35
Sth China Post	6.40	6.25	6.25	6.45
Swire Pac A	73.75	72.25	73.50	73.50
Tsim Sha Tsui	16.90	16.70	16.90	16.65
TV Broadcasts	30.80	30.70	30.50	30.40
Wharf Hdgs	38.80	38.30	38.60	38.70
Wheelock	22.30	21.70	21.80	22.30

Jakarta
Composite Index: 642.21 — Previous: 640.37

	High	Low	Close	Prev.
Astra Intl	5425	5400	5425	5425
Bk Intl Indon	1975	1875	1950	1975
Bk Negara	1300	1275	1300	1275
Gudang Garm	11850	11550	11700	11850
Indocement	3600	3575	3600	3575
Indofood	4975	4875	4900	4900
Indosat	6750	6625	6725	6625
Sampoerna HM	13300	13100	13250	13200
Semen Gresik	8250	8000	8050	8150
Telekomunikasi	4300	4250	4275	4225

Johannesburg
All Market: 6651.35 — Previous: 6614.50

	High	Low	Close	Prev.
Amalgamd Bks	25	24.75	24.95	24.50
AngloAm Coal	342	347	341.50	341
AngloAm Corp	255	253	254	253.50
AngloAm Gold	342	337.50	339	339
AngloAm Ind	169	166.50	168	166.75
Barlow	43.55	43	43	43.05
C.G. Smith	23.90	23.55	23.55	23.55
De Beers	131.50	130.50	130.75	130.25
Driefontein	45	44.35	44.35	45.15
Fst Natl Bk	25	24.10	24.25	24
Gencor	17.80	17.10	17.60	17.10
GFSA	124	124	124	124
Iscor	3.52	3.48	3.49	3.36
Liberty Hdgs	323.25	319	323	317
Liberty Life	121	118	119	117.75
Minorco	97.25	97	97.25	97
Nampak	18.60	18.50	18.50	18.20
Nedcor	64.75	64.25	64.25	64
Rembrandt Gp	42.25	41.75	42	41.60
Richemont	45.75	45	45	45.25
Rust Platinum	67.50	65.50	65.75	65
SA Breweries	120	118.50	119.50	117.75
Samancor	52.50	52.50	52.50	52
Sasol	56.25	55.50	55.50	55.50
SBIC	185.50	183	185.25	183.50
Tiger Oats	64.50	64	64.50	63.75

Kuala Lumpur
Composite: 1238.54 — Previous: 1237.50

	High	Low	Close	Prev.
Genting	17.40	17.20	17.20	17.30
Mal Banking	27	26.25	26.25	27
Mal Intl Ship F	7.35	7.25	7.30	7.40
Petronas Gas	10.20	10.10	10.20	10.20
Renong	4.54	4.46	4.52	4.44
Resorts World	11.80	11.50	11.60	11.50
Sime Darby	10.40	10.10	10.30	10.20
Telekom Mal	22.30	22	22.10	22.30
Tenaga	12.40	12.20	12.40	12.20
Utd Engineers	23.90	23.60	23.90	23.90

London
FT-SE 100: 4087.50 — Previous: 4078.80

	High	Low	Close	Prev.
Abbey Natl	7.85	7.54	7.57	7.53
Allied Domecq	4.38	4.26	4.30	4.35
Anglian Water	6	5.95	5.98	5.89
Argos	7.34	7.25	7.25	7.35
Asda Group	1.24	1.22	1.23	1.24
Assoc Br Foods	4.78	4.60	4.63	4.78
BAA	4.93	4.87	4.87	4.89
Barclays	10.34	10.16	10.29	10.16
Bass	8.22	8.07	8.22	8.08
BAT Ind	4.87	4.80	4.84	4.83
Bank Scotland	3.01	2.94	2.99	3.07
Blue Circle	3.85	3.63	3.77	3.64
BOC Group	9	8.87	8.95	8.90
Boots	6.28	6.20	6.24	6.21
BPB Ind	3.89	3.85	3.85	3.86
Brit Aerosp	12.55	12.43	12.46	12.48
Brit Airways	6.02	5.96	5.98	5.98
Brit Gas	2.23	2.19	2.21	2.20
Brit Land	5.36	5.27	5.28	5.38
Brit Petm	7.15	6.92	6.95	6.92
BSkyB	5.40	5.34	5.38	5.35
Brit Steel	1.60	1.52	1.54	1.57
Brit Telecom	3.98	3.70	3.95	3.96
BTR	2.72	2.58	2.60	2.66
Burmah Castrol	11.13	11.02	11.10	11.05
Burton Gp	1.58	1.55	1.55	1.57
Cable Wireless	4.94	4.70	4.73	4.68
Cadbury Schw	4.99	4.96	4.96	4.96
Carlton Comm	5.03	4.96	4.99	5
Comml Union	6.82	6.75	6.79	6.79
Compass Gp	6.19	6.10	6.13	6.16
Courtaulds	3.98	3.92	3.94	3.97
Dixons	5.44	5.11	5.16	5.38
Electrocomponents	4.55	4.51	4.53	4.55
EMI Group	13.72	13.48	13.56	13.67
Enterprise Oil	6.42	6.35	6.39	6.42
Fam Colonial	1.51	1.49	1.49	1.49
Gen'l Accident	7.52	7.46	7.53	7.42
GEC	3.98	3.93	3.98	3.93
GKN	10.70	10.03	10.03	10.70
Glaxo Wellcome	9.14	8.95	8.97	9.13
Granada Gp	8.72	8.55	8.63	8.54
Grand Met	4.53	4.40	4.43	4.44
GRE	2.74	2.68	2.68	2.73
Greenalls Gp	5.68	5.65	5.65	5.75
Guinness	4.39	4.30	4.33	4.36
GUS	6.31	6.08	6.15	6.15
Hanson	0.87	0.85	0.86	0.86
Hays	5.45	5.39	5.43	5.40
HSBC Hldgs	12.90	12.83	12.88	12.83
ICI	7.69	7.60	7.67	7.62
Imperial Tobacco	3.88	3.83	3.83	3.83
Kingfisher	6.42	6.35	6.41	6.37
Ladbroke	2.37	2.29	2.33	2.30
Land Sec	7.77	7.68	7.73	7.66
Lasmo	2.35	2.31	2.35	2.33
Legal Genl Grp	3.87	3.79	3.85	3.78
Lloyds TSB Gp	4.47	4.34	4.42	4.34
LucasVarity	2.28	2.22	2.24	2.26
Marks Spencer	4.88	4.79	4.82	4.80
MEPC	4.86	4.59	4.64	4.72
Mercury Asset	12.39	12.30	12.32	12.34
National Grid	2	1.97	1.99	1.97
Natl Power	4.76	4.63	4.64	4.74
NatWest	7.26	7.12	7.24	7.12
Next	5.71	5.58	5.62	5.70
Orange	1.93	1.86	1.86	1.91
P&O	5.91	5.88	5.91	5.80
Pearson	7.44	7.28	7.37	7.30
Pilkington	1.58	1.51	1.53	1.58
PowerGen	5.90	5.77	5.80	5.75
Premier Farnell	7.48	7.31	7.32	7.38
Prudential	5.04	4.96	4.99	4.97
Railtrack PP	3.92	3.85	3.88	3.84
Rank Group	4.37	4.30	4.36	4.24
Reckitt Coln	7.10	7.03	7.05	7.05
Redland	3.52	3.40	3.42	3.45
Reed Intl	10.90	10.70	10.75	10.87
Rentokil Initial	4.30	4.28	4.29	4.27
Reuters Hdgs	7.35	7.18	7.21	7.33
Rexam	3.73	3.68	3.68	3.69
RMC Group	9.81	9.62	9.70	9.77
Rolls Royce	2.53	2.49	2.51	2.50
Royal Bk Scot	5.68	5.45	5.47	5.46
RTZ reg	10	9.25	9.25	9.27
Royal & Sun All	4.46	4.41	4.43	4.42
Safeway	4	3.95	3.98	3.90
Sainsbury	3.92	3.87	3.88	3.91
Schroders	15.50	15.27	15.45	15.27
Scot Newcastle	6.67	6.59	6.64	6.61
Scot Power	3.58	3.42	3.46	3.47
Securicor	2.85	2.79	2.84	2.78
Severn Trent	6.87	6.77	6.83	6.85
Shell Transp R	10.08	9.98	10.07	9.98
Siebe	10.56	10.43	10.43	10.64
Smith Nephew	1.83	1.81	1.81	1.81
SmithKline	7.94	7.82	7.85	7.83
Smiths Ind	8.20	8.13	8.15	8.17
Sthrn Elec	7.95	7.87	7.89	7.90
Stagecoach	7.02	6.98	7.02	6.99
Stand Charter	7.06	6.97	6.99	7
Tate & Lyle	4.94	4.76	4.83	4.77
Tesco	3.47	3.43	3.46	3.46
Thames Water	6.11	6.01	6.04	6.04
3i Group	4.92	4.87	4.92	4.90
TI Group	5.80	5.68	5.75	5.76
Tomkins	2.75	2.69	2.74	2.70
Unilever	13.98	13.90	13.94	13.91
Utd Assurance	5	4.87	4.96	4.90
Utd News	6.98	6.85	6.90	6.85
Utd Utilities	6.37	6.27	6.35	6.28
Vendome Lx uts	5.34	5.28	5.29	5.30
Vodafone	2.54	2.48	2.52	2.48
Whitbread	7.79	7.67	7.74	7.70
Williams Hdgs	3.44	3.38	3.41	3.37
Wolseley	4.75	4.63	4.71	4.64
WPP Group	2.45	2.41	2.42	2.43
Zeneca	16.47	16.23	16.33	16.43

Madrid
Bolsa index: 453.93 — Previous: 447.57

	High	Low	Close	Prev.
Acerinox	18970	18700	18900	18530
ACESA	1760	1725	1760	1735
Aguas Barcelon	5530	5420	5530	5520
Argentaria	5890	5800	5880	5810
BBV	7350	7140	7310	7110
Banesto	1245	1150	1160	1240
Bankinter	20070	19620	19990	19570
Bco Central Hisp	3345	3310	3360	3305
Bco Exterior	2790	2770	2770	2785
Bco Popular	25100	24980	25100	24990
Bco Santander	8450	8320	8360	8270
CEPSA	4175	3950	4175	3980
Continente	2650	2610	2630	2620
Corp Mapfre	7840	7600	7640	7800
Endesa	9240	9000	9240	9070
FECSA	1320	1255	1260	1275
Gas Natural	30470	29900	30200	29870
Iberdrola	1725	1690	1705	1685
Pryca	2600	2575	2590	2635
Repsol	5380	5270	5320	5200
Sevillana Elec	1350	1280	1300	1300
Tabacalera	6250	6020	6050	6140
Telefonica	3320	3250	3280	3170
Union Fenosa	1290	1235	1245	1270
Valenc Cement	1470	1415	1440	1440

Manila
PSE Index: 3206.99 — Previous: 3195.47

	High	Low	Close	Prev.
Ayala B	31	29.50	31	29.50
Ayala Land	29.50	29	29.50	29.50
Bk Philip Isl	168	164	167	166
C&P Homes	15	14.75	15	15
Manila Elec A	127	126	126	127
Metro Bank	650	635	650	640
Petron	9.30	9.10	9.30	9.10
PCI Bank	345	342.50	342.50	342.50
Phil Long Dist	1375	1365	1365	1365
San Miguel B	117	112	112	117
SM Prime Hdg	7.10	6.90	7	6.90

Mexico
Bolsa index: 3537.97 — Previous: 3516.33

	High	Low	Close	Prev.
Alfa A	38.45	37.90	38.40	38.80
Banacci B	17.12	16.74	16.74	16.88
Cemex CPO	30.05	29.70	29.70	29.60
Cifra C	10.00	9.66	9.66	9.94
Emp Moderna	42.00	39.65	41.30	39.60
Gpo Carso A1	46.20	45.65	46.15	45.80
Gpo Fin Inbursa	28.50	28.00	28.50	28.00
Kimb Clark Mex	161.80	160.50	160.50	161.80
Televisa CPO	108.30	102.80	108.30	102.40
TelMex L	14.80	14.32	14.78	14.32

Milan
MIB Telematico: 10730.00 — Previous: 10592.00

	High	Low	Close	Prev.
Alleanza Assic	10180	10005	10180	10020
Bca Comm Ital	2710	2650	2670	2675
Bca Fideuram	3300	3200	3300	3260
Bca di Roma	1218	1163	1174	1189
Benetton	18815	18500	18600	18435
Credito Italiano	1678	1636	1678	1644
Edison	9870	9515	9780	9600
ENI	8115	8015	8115	8000
Fiat	4300	4190	4225	4250
Generali Assic	38200	37450	37850	37800
IMI	13120	12940	13045	13020
INA	1900	1850	1855	1889
Italgas	6710	6525	6670	6565
Mediaset	7055	6930	7010	6985
Mediobanca	8118	7965	8118	7910
Montedison	1128	1092	1110	1084
Parmalat	2450	2340	2450	2365
Pirelli	2960	2905	2950	2810
RAS	13650	13450	13500	13480
Rolo Banca	14710	14325	14525	14540
S Paolo Torino	9310	9100	9135	9220
Stet	6815	6570	6805	6550
Telecom Italia	4120	4015	4120	4000
TIM	3990	3915	3990	3900

Montreal
Industrials Index: 2846.47 — Previous: 2824.79

	High	Low	Close	Prev.
Bce Mob Com	42	41.80	42	41.80
Cdn Tire A	22¼	21¾	21¾	22.30
Cdn Util A	30.90	30.80	30.90	30.90
CT Finl Svc	32	32	32	31
Gaz Metro	17¼	17.15	17.20	17.20
Gt-West Lifeco	21¾	21¾	21¾	21.10
Hees Intl Bcp	20.70	20.30	20.70	20.30
Imasco	36.10	35.65	36	35.65
Investors Grp	27.20	27	27.20	26.60
Loblaw Cos	15.15	15.05	15.05	15¼
Natl Bk Canada	13.95	13.70	13¾	13.90
Power Corp	27½	27.10	27.20	27½
Power Finl	25	24¾	24.90	25
Quebecor B	24¼	23½	24	23¼
Rogers Comm B	10¼	10.30	10¼	10¼
Royal Bk Cda	49.60	49¼	49.30	49.10

Oslo
OBX Index: 559.96 — Previous: 552.52

	High	Low	Close	Prev.
Aker A	146	144.50	144.50	145
Bergesen Dy A	153	150	152	149
Christiania Bk	22.70	22.30	22.30	22
Den norske Bk	26.50	26.30	26.50	26.10
Elkem	114	112.50	112.50	112
Hafslund A	48.50	48	48.30	48.20
Kvaerner Asa	324	315	315	318
Norsk Hydro	356	353	356	351.50
Norske Skog A	215	212	214.50	214
Nycomed A	106.50	105	105.50	105.50
Orkla Asa A	468	462	468	461
Petm GeoSvc	281	277	280	267
Saga Petm A	122.50	118.50	120.50	117
Schibsted	122.50	117	122	117
Transocean Off	436	433	436	415
Storebrand Asa	39	37.60	37.90	37.50

Paris
CAC-40: 2331.62 — Previous: 2301.69

	High	Low	Close	Prev.
Accor	657	645	653	642
AGF	167.70	162.70	165	165
Air Liquide	827	812	827	806
Alcatel Alsth	428.40	418.50	427.50	414.80
Axa	346.80	340.60	343.20	338.50
Bancaire	623	611	620	610
BIC	805	786	794	787
BNP	200	198.20	198.90	199.30
Canal Plus	1142	1134	1138	1131
Carrefour	3380	3342	3360	3333
Casino	244	243	243.50	243.50
CCF	235.90	233.30	234.70	233.90
Cetelem	636	613	620	611
Christian Dior	859	842	857	833
CLF-Dexia Fran	459	456.20	459	456.50
Credit Agricole	1262	1262	1262	1300
Danone	748	724	742	717
Elf-Aquitaine	482.80	478.30	482.60	476.70
Eridania BS	851	839	843	843
Gen. Eaux	691	675	687	672
Havas	356	352	353	352.10
Imetal	805	787	793	784
Lafarge	316	312.10	313	313.30
Legrand	905	887	897	890
L'Oreal	1955	1935	1947	1916
LVMH	1467	1430	1460	1416
Lyon. Eaux	504	489.50	500	485
Michelin B	287.70	280.20	287	280.60
Paribas A	342.70	335.30	340.50	338
Pernod Ricard	302.90	295.50	301.50	293.20
Peugeot Cit	569	551	562	565
Pinault-Print	2110	2087	2097	2072
Promodes	1431	1406	1430	1406
Renault	111.40	109.20	111	108.40
Rexel	1619	1570	1608	1560
Rh-Poulenc A	168.80	163.60	166.20	169.90
Roussel-Uclaf	1528	1527	1526	1527
Sanofi	541	527	538	526
Schneider	248.90	243	245.80	242.70
SEB	1170	1141	1150	1141
SGS Thomson	382.40	377.50	378	377.20
Ste Generale	544	538	540	541
Sodexho	2778	2680	2695	2750
St Gobain	753	735	743	733
Suez	219.80	215.30	216.10	220
Synthelabo	590	560	560	590
Thomson CSF	173.40	171.10	172.80	173
Total B	422	417.50	420.10	417.30
UAP	137	133.70	136.20	132.50
Usinor	78.75	77.65	78.65	78.10
Valeo	353	337.80	345	336.50

São Paulo
Bovespa index: 74270.20 — Previous: 72974.60

	High	Low	Close	Prev.
Bradesco Pfd	8.20	8.00	8.19	8.00
Brahma Pfd	579.00	568.00	579.00	568.00
Cemig Pfd	40.38	39.30	39.90	38.80
CESP Pfd	47.90	45.50	46.50	45.80
Copel	12.50	11.70	12.45	11.65
Eletrobras	381.00	374.00	378.00	379.00
Itaubanco Pfd	441.00	430.00	441.00	433.00
Light Servicios	370.00	360.00	368.50	367.00
Lightpar	263.00	254.00	263.00	254.00
Petrobras Pfd	184.50	177.50	181.00	180.00
Telebras Pfd	85.80	82.90	84.90	82.60
Telemig	141.00	138.50	138.50	138.99
Telerj	145.14	137.80	140.00	136.01
Telesp Pfd	242.50	236.00	241.50	235.00
Unibanco	38.40	35.00	37.98	38.77
CVRD Pfd	22.49	21.90	22.38	21.90

Seoul
Composite Index: 621.41 — Previous: 611.85

	High	Low	Close	Prev.
Dacom	84000	75900	80000	82400
Daewoo Heavy	5150	4900	5140	4900
Kia Motors	17080	15000	17000	16100
Korea El Pwr	25700	25000	25500	25900
Korea Exch Bk	8640	8250	8640	8000
Korea Mob Tel	430000	421000	430000	422000
LG Semicon	19100	19000	19000	19000
Pohang Iron St	38300	36800	38000	37000
Samsung Elec	42000	39100	42000	39300
Shinhan Bank	11500	10800	11500	10700

Singapore
Straits Times: 2242.26 — Previous: 2246.59

	High	Low	Close	Prev.
Cerebos Pac	11.10	10.90	11.10	10.90
City Devlts	13	12.80	13	12.80
Cycle Carriage	17.50	16.80	16.80	17.50
Dairy Farm Intl *	0.84	0.83	0.83	0.84
DBS	9.05	9	9.05	9
DBS Land	5.25	5.10	5.20	5.20
Fraser & Neave	14.20	14	14	14.30
HK Land *	2.99	2.94	2.98	2.93
Hong Leong Fin	3.30	3.30	3.30	3.28
Jard Matheson *	6.70	6.60	6.70	6.65
Jard Strategic *	3.74	3.66	3.68	3.76
Keppel	11.40	11.10	11.40	11.10
Natsteel	3.34	3.30	3.32	3.34
Neptune Orient	1.24	1.23	1.24	1.24
OCBC foreign	18.30	17.60	18.20	17.80
OSea Union Bk	6.40	6.35	6.40	6.45
Sembawang	8	7.90	8	8
Sing Airlines F	13.20	13	13.10	13
Sing Petm	1.80	1.75	1.80	1.80
Sing Press F	28.90	28.80	28.90	28.70
ST Auto F	3.36	3.30	3.36	3.20
ST Ship	1.90	1.89	1.90	1.88
Sing Telecomm	3.34	3.28	3.28	3.32
Straits Steam	4.60	4.54	4.54	4.58
Utd Industrial	1.34	1.30	1.30	1.19
Utd OSea Bk F	16.60	16.30	16.50	16.40
Wing Tai Hdgs	4.12	4	4.10	3.98

*: in U.S. dollars.

Stockholm
SX 16 Index: 2582.99 — Previous: 2520.85

	High	Low	Close	Prev.
AGA BF	104	102	104	102
ABB AF	806	795	802	789
AssiDoman F	191	188.50	191	187.50
Astra AF	339	336.50	338.50	336
Atlas Copco AF	165	162.50	162.50	163.50
Avesta F	79	78	78.50	76.50
Electrolux BF	394	389.50	394	388.50
Ericsson BF	222	218.50	222	208
Hennes BF	1004	993	1000	991
Incentive AF	507	498	503	499
Investor BF	310	302.50	310	301.50
Kinnevik BF	191.50	186.50	190.50	185
MoDo BF	204.50	201	204.50	199
Pharm/Upjohn	272	269	270	271
Sandvik BF	192	190.50	191.50	188.50
SCA BF	145.50	143	145	142.50
S-E Banken AF	72	70	71	70.50
Skandia Fors F	192	189.50	189.50	189.50
Skanska BF	300	298	299	297
SKF BF	163.50	162	162.50	161.50
SSAB BF	123	119.50	121.50	118.50
Stora AF	100	97.50	98.50	96
Sv Handles AF	197	193.50	194	196.50
Sydkraft AF	153	150	152	150
Trelleborg BF	97.50	96	97	94.50
Volvo BF	157.50	154.50	157	152.50

Sydney
All Ordinaries: 2415.80 — Previous: 2400.70

	High	Low	Close	Prev.
Amcor	8.05	8.01	8.04	7.99
ANZ Bkng	8.09	8.04	8.06	8.04
BHP	17.86	17.81	17.92	17.82
Boral	3.57	3.53	3.54	3.53
Brambles Ind.	24.10	23.68	23.90	23.90
Burns Philp	2.39	2.33	2.39	2.34
CBA	12.22	12.09	12.20	12.08
CC Amatil	13.75	13.35	13.38	13.20
Coles Myer	5.10	4.97	5	5.07
Comalco	6.50	6.40	6.40	6.43
CRA Ltd	19.60	19.41	19.55	19.44
CSR	4.43	4.34	4.43	4.33
Fosters Brew	2.55	2.51	2.55	2.51
GIO Australia	3.20	3.18	3.19	3.17
Goodman Fld	1.63	1.58	1.63	1.58
ICI Australia	12.92	12.75	12.92	12.70
John Fairfax	2.80	2.80	2.80	2.80
Lend Lease	24.45	24.24	24.40	24.30
Mayne Nickless	8.35	8.23	8.24	8.32
MIM Hdgs	1.81	1.77	1.81	1.77
Nat Aust Bank	14.79	14.72	14.73	14.76
News Corp	6.78	6.72	6.77	6.70
North Ltd	3.68	3.59	3.68	3.60
Pacific Dunlop	3.13	3.03	3.10	3.04
Pioneer Intl	3.63	3.56	3.56	3.58
Placer Pacific	1.71	1.66	1.71	1.68
Santos	5.08	5.03	5.06	5.02
Southcorp	4.06	3.90	4.05	3.89
Wesfarmers	8.84	8.70	8.82	8.69
Wstrn Mining	8	7.78	7.95	7.76
Westfield Trt	2.39	2.37	2.38	2.37
Westpac Bkng	7.25	7.19	7.22	7.18
Woodside Pet	9.60	9.52	9.60	9.50
Woolworths	3.07	3.05	3.07	3.06

Taipei
Stock Market Index: 7019.43 — Previous: 6875.82

	High	Low	Close	Prev.
Asia Cement	50.50	50	50.50	50
Cathay Life Ins	180	172	179	172
Chang Hwa Bk	166	158	166	156
China Steel	26	25.20	25.60	25.30
China Trust	53.50	51.50	53	51.50
Evergreen	54.50	53	54	53
Far East Text	28	27.70	27.90	27.70
First Bank	175	166	175	164
Formosa CF	43.20	41.50	42.70	41.50
Hua Nan Bk	136	130	136	127.50
Hualon Teijran	24.70	24.40	24.40	24.50
ICBC	86	82	85	82
President Ent	44.30	43.20	43.80	43.40
Taiwan Cemt	60	58.50	60	59
Tatung	54	52.50	53	52.50

Tokyo
Nikkei 225: 18680.38 — Previous: 18896.19

	High	Low	Close	Prev.
Ajinomoto	1140	1110	1130	1100
All Nippon Air	866	850	852	860
Asahi Bank	925	905	905	920
Asahi Chem	663	639	639	647
Asahi Glass	1070	1050	1050	1060
Bk Tokyo Mitsu	2140	2110	2110	2130
Bk Yokohama	750	705	705	735
Bridgestone	2220	2130	2140	2220
Canon	2550	2450	2500	2540
Chiba Bank	810	784	784	799
Chubu Elec	2310	2290	2290	2310
Chugoku Elec	2280	2250	2250	2270
Daiei	861	839	850	863
Daiichi Kang	1650	1630	1630	1640
Daiwa Bank	614	601	610	614
Daiwa House	1470	1450	1470	1460
Daiwa Sec	954	923	929	955
Denso	2720	2630	2670	2670
Fanuc	3720	3650	3670	3740
Fuji Bank	1660	1620	1640	1670
Fuji Photo	3820	3730	3740	3800
Fujitsu	1140	1100	1120	1110
Hitachi	1110	1080	1080	1090
Honda Motor	3270	3200	3220	3280
IBJ	1990	1950	1960	1990
IHI	497	480	480	497
Itochu	614	572	582	618
Ito-Yokado	5200	5140	5200	5120
JAL	619	610	618	610
Jusco	3930	3880	3890	3940
Kajima	775	747	748	771
Kansai Elec	2360	2300	2300	2360
Kao	1330	1300	1320	1330
Kawa Steel	316	302	308	314
KDD	7720	7550	7610	7710
Kinki Nipp Ry	720	716	719	720
Kirin Brewery	1150	1110	1120	1140
Kobe Steel	236	228	229	233
Komatsu	910	882	889	911
Kubota	549	535	535	536
Kyocera	7400	7280	7320	7410
Kyushu Elec	2280	2250	2250	2260
LTCB	613	606	607	612
Marubeni	494	475	477	495
Marui	1970	1870	1900	2010
Matsu Elec Ind	1880	1850	1870	1880
Matsu Elec Wk	1000	990	1000	994
Mitsubishi	1180	1150	1150	1160
Mitsubishi Ch	373	363	364	375
Mitsubishi El	692	676	680	690
Mitsubishi Est	1230	1190	1200	1210
Mitsubishi Hvy	922	902	906	920
Mitsubishi Mat	850	847	848	846
Mitsubishi Tr	1550	1510	1510	1540
Mitsui	939	920	920	936
Mitsui Fudosn	1100	1060	1080	1100
Mitsui Trust	880	839	843	870
Murata Mfg	3900	3880	3880	3830
NEC	1480	1450	1470	1460
Nikko Sec	812	775	777	803
Nintendo	8290	8120	8120	8200
Nipp Credit Bk	297	292	295	298
Nipp Express	775	752	754	776
Nippon Oil	595	585	585	586
Nippon Paper	556	527	527	540
Nippon Steel	332	313	316	333
Nippon Yusen	517	510	512	514
Nissan Motor	701	691	696	690
NKK	262	252	256	262
Nomura Sec	1610	1550	1570	1580
NTT	9000a	8810a	8920a	8980a
Obayashi	756	698	704	754
Odakyu El Ry	687	673	675	680
Ono Pharm	3490	3400	3400	3500
Osaka Gas	316	314	314	314
Ricoh	1340	1300	1320	1340
Sakura Bk	821	794	799	813
Sankyo	3260	3170	3170	3240
Sanwa Bank	1550	1490	1500	1540
Sanyo Elec	467	450	457	464
Secom	7000	6890	6970	6880
Seibu Rwy	4400	4200	4210	4350
Sekisui House	1190	1170	1170	1200
Seven-Eleven	6790	6650	6660	6800
Sharp	1680	1640	1650	1680
Shimizu	805	760	761	797
Shin-etsu Ch	2110	2090	2100	2110
Shizuoka Bk	1190	1110	1110	1190
Sony	7710	7640	7690	7640
Sumitomo	928	914	918	915
Sumitomo Bk	1660	1600	1620	1680
Sumitl Chem	448	430	430	445
Sumitomo Elec	1650	1630	1640	1630
Sumitl Metal	287	265	268	288
Sumitl Trust	1130	1090	1090	1120
Taisei	583	533	545	585
Taisho Pharm	2670	2610	2640	2670
Takeda Chem	2420	2370	2390	2410
TDK	7570	7480	7530	7590
Tohoku El Pwr	2320	2230	2270	2310
Tokai Bank	1180	1150	1150	1170
Tokio Marine	1060	1000	1020	1050
Tokyo El Pwr	2470	2430	2450	2450
Tokyo Gas	317	312	312	313
Tokyu	635	603	604	630
Tonen	1390	1350	1380	1350
Toppan Print	1450	1420	1420	1440
Toray Ind	734	712	729	743
Toshiba	735	712	713	727
Toyo Seikan	2820	2660	2730	2800
Toyo Trust	920	890	890	915
Toyota Motor	3300	3250	3260	3280
Yamaichi Sec	505	490	492	510
Yamanouchi	2360	2320	2330	2330
Yasuda Fire	608	587	590	592
Yasuda Trust	481	470	475	478

a: x 100

Toronto
TSE Industrials: 5929.98 — Previous: 5946.87

	High	Low	Close	Prev.
Abitibi Price	23.15	22.85	22.95	23.15
Alberta Energy	32.30	31.70	32.30	31.95
Alcan Alum	49.10	47¾	47.90	48.65
Anderson Expl	18.15	17.55	18.10	17.80
Bk Montreal	44.05	43.70	43.80	43.90
Bk Nova Scotia	46.20	45.65	45.65	45.95
Barrick Gold	36.40	35½	35.55	36.55
BCE	65¼	65.45	65½	65.40
BC Telecomm	29.90	29.60	29¾	29.90
Biochem Pharm	67½	67.05	67¼	67¼
Bombardier B	26.40	25¾	25¾	26.15
Brascan A	30.60	29¾	30	30.60
Bre-x Minerals	21	20¼	20.35	21¼
Cameco	56.60	56	56.35	55½
CIBC	59.20	58.80	58.95	59.05
Cdn Natl Rail	51.20	50.70	50.70	51.20
Cdn Nat Res	37¼	36½	37.05	37.05
Cdn Occid Pet	22.70	21.90	22.60	22
Cdn Pacific	36.45	36	36¼	36.20
Cominco	34.80	34.45	34.60	34.70
Dofasco	26.40	26.20	26.30	26.35
Domtar	12.55	12.40	12.40	12.55
Donohue A	25.90	25.45	25½	25.70
Du Pont Cda A	31½	31¼	31¼	31½
EuroNev Mng	36¼	34.80	35.15	37.20
Fairfax Finl	300	295	295	300
Falconbridge	29.70	29	29.20	29½
Fletcher Chall A	22.05	22	22.05	22.35
Franco Nevada	58.45	56¾	56¾	58.45
Gulf Cda Res	10¼	10.25	10.70	10.30
Imperial Oil	63.60	63	63¼	63
Inco	44.80	43.80	43.90	44.40
IPL Energy	40	39.80	40	39.95
Laidlaw B	17.95	17¼	17.40	18
Loewen Group	51	49.60	49¾	50.70
Macmill Bldl	19	18.70	18.80	19
Magna Intl A	75¼	74¼	75.10	75¼
Methanex	13.10	12.60	12¾	13.10
Moore	27.55	27.35	27½	27.45
Newbridge Net	40¼	38¼	39.80	38.55
Noranda Inc	31.40	30.90	30.90	31.15
Norcen Energy	30.40	30.20	30.30	30.30
Nthern Telecom	89¾	88.40	89.30	88¼
Nova	12.65	12.55	12.65	12.60
Onex	21.20	19.60	21.20	20
Pancdn Petlm	53.80	52.60	52.60	53¼
Petro Cda	20.45	20.10	20.35	20.30
Placer Dome	27.30	26.70	27.05	27.60
Poco Petlm	13.40	12.95	13.40	12.95
Potash Sask	119.30	118¾	118¾	118.95
Renaissance	49.30	47½	49.05	47.70
Rio Algom	31¼	30¼	31	31.15
Rogers Cantel B	27.90	27.40	27.70	27¼
Seagram Co	55.20	54.40	54.55	55
Shell Cda A	52	51½	52	51.95
Stone Consold	21.35	21	21.05	20.95
Suncor	56¼	55.30	55.40	55¼
Talisman Eny	47¾	47	47½	47.10
Teck B	31.20	30¼	30¼	31
Teleglobe	40.90	40.30	40.30	40½
Telus	20.20	20.05	20.15	20.20
Thomson	30¼	29.85	30	29.90
TorDom Bank	35.10	34¼	34.95	34.95
Transalta	17.15	17	17.10	17.10
TransCda Pipe	23.70	23½	23.55	23.60
Trimark Finl	42¼	41.55	42	41.35
Trizec Hahn	29.80	29.10	29.70	29.15
TVX Gold	9.65	9.40	9.45	9.70
Westcoast Eny	23.35	23.10	23.10	23.15
Weston	70	69	70	69½

Vienna
ATX Index: 1137.28 — Previous: 1137.09

	High	Low	Close	Prev.
Aust Airlines	1650	1650	1500	1500
Brau-Un Goess	700	688	693	694
Bund Vers Pfd	382	382	490	490
Creditanst Pfd	494.50	486	488	493
EA-Generali	3150	3020	3089.95	3140
EVN	1661.25	1642	1659	1642
Interunfall	1481	1481	1475	1475
Lenzing	680	664	680	672
Leykam	279	275.30	277.90	276
Mayr-Melnhof	554.15	545	552.40	547.70
OMV	1191.40	1170	1177.50	1187.50
Oest Brau	747	740	742	740
Oest Elektriz	813	809	809	813
VA Tech	1702	1692	1695	1694
Wienerberger	2119	2100	2100	2097.50

Wellington
NZSE-40 Index: 2399.31 — Previous: 2408.28

	High	Low	Close	Prev.
Air N Zealand B	2.82	2.80	2.81	2.80
Brierly Invt	1.34	1.32	1.33	1.34
Carter Holt ord	3.38	3.34	3.35	3.40
Fernz	4.95	4.90	4.95	4.90
Fisher Paykel	5.70	5.60	5.60	5.78
FC Forest	2.40	2.38	2.39	2.38
Goodman Fder	1.80	1.76	1.80	1.74
Indep News	7.00	6.90	6.98	6.95
Lion Nathan	3.65	3.50	3.52	3.50
Nat Gas note	2.28	2.28	2.28	2.28
NZ Refining	N.T.	N.T.	N.T.	28.75
Telecom NZ	7.40	7.35	7.39	7.41
Wilson Horton	11.70	11.60	11.60	11.70

Zurich
SPI Index: 2527.86 — Previous: 2510.80

	High	Low	Close	Prev.
Adecco B	360	356	358.50	356
Alusuisse R	1139	1125	1130	1127
Ares-Serono B	1322	1308	1320	1305
Baloise Hdg R	2705	2650	2675	2645
ABB B	1672	1661	1664	1655
BK Vision	744	726	741	726
Bobst B	1895	1870	1895	1861
Cs group n	135.75	133.50	134.50	133.75
Elektrowatt B	536	535	536	535
Fischer B	1444	1418	1433	1416
Hilti PC	888	872	880	869
Holderbank B	989	975	984	973
Jul. Baer Hdg B	1425	1415	1419	1422
Nestle R	1439	1432	1432	1432
Novartis R	1541	1528	1533	1522
Oerlikon R	140	137.25	139	137.50
Pargesa Hld B	1500	1465	1495	1461
PharmaVisn B	618	609	615	610
Pirelli B	192	180	192	182.50
Roche Hdg PC	10565	10500	10515	10490
SBC R	254.50	252	254	250.50
Schindler B	1468	1445	1460	1445
SGS B	3455	3320	3320	3445
SMH B	879	869	877	876
Sulzer R	835	824	830	825
Swiss Reins R	1404	1393	1396	1393
Swissair R	1180	1140	1160	1130
UBS B	1190	1169	1179	1150
Valora Hdg R	253	250	252	252
Winterthur R	773	767	768	767
Zurich Assur R	369	365.50	367	364.50

NYSE

Wednesday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

FOR INVESTMENT INFORMATION

Read

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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

THE WORLD'S DAILY NEWSPAPER

Continued on Page 16

ASIA/PACIFIC

NTT Phone Service Plans to Go Global For Business Clients

Compiled by Our Staff From Dispatches

TOKYO — Nippon Telegraph & Telephone Corp. said Wednesday that it hoped to start providing international telephone services to multinational companies in Europe, the United States and Asia by the end of this year.

It will be the first step in the company's plan to enter the international telecommunications market.

Using the company's proposed service, multinational conglomerates will be able to send voice and data messages along international phone lines to group companies in Europe, the United States and Asia.

NTT's president, Junichiro Miyazu, said at a news conference that the company would apply for communications business licenses in Britain, Germany and France.

The company added that it hoped to apply soon for similar licenses in the United States and Asia.

Under a service to be called NTT Global Service, the company will not directly handle communications between Japan and the other countries.

Mr. Miyazu said NTT hoped to offer such services from Japan as soon as a law on breaking up the company passes Parliament.

The law will be discussed in the parliamentary session that starts later this month.

Mr. Miyazu added that alliances, investments in and mergers with international telecommunications operators were possible as NTT develops its international services.

The company will lease lines from other companies to provide service in the initial stages, but said it could lay its own lines in due course.

A spokesman said NTT would also help Japanese multinationals in the targeted regions to construct in-house computer networks.

The spokesman said profits would be small at first. He did not give specific estimates for sales or investment.

NTT has long sought to break into the lucrative international market but its entry has been delayed by wrangling between managers and the government over whether the giant company should be broken up.

Under a compromise deal announced early last month, a set of companies will operate under a holding company. One company will be allowed to offer international services. *(Reuters, Bloomberg)*

South Korea Awaits Its 'Big Bang'

President Forms Panel to Reform Financial Sector

Compiled by Our Staff From Dispatches

SEOUL — President Kim Young Sam's determination to lead a so-called financial "Big Bang" may spur welcome mergers among banks and other financial companies, analysts said Wednesday.

On Tuesday, Mr. Kim said he would soon form a presidential committee "to reform the financial sector to cope with world trends" and to "revive the vitality of companies."

The announcement lifted shares in banks and other financial institutions Wednesday as investors bet the committee would give momentum to government plans to promote mergers among the institutions.

The benchmark Korea Composite index rose 1.7 percent, to 621.41, its biggest gain in three weeks. The index for 23 listed banks rose 7.8 percent.

"The fact that the Ministry of Finance and Economy will not lead the reform means that the changes would be sweeping," said Yoo Yong Joo, analyst with Daewoo Economic Research Institute. "The committee will first try to lower interest rates and then restructure the whole financial industry."

Mr. Yoo said strong measures would be taken to lower interest rates, which are so high that it is difficult for Korean companies to compete in global markets. He added that financial companies would be forced to streamline their management to cut their lending rates.

The benchmark three-year corporate bond yield is about 12.5 percent, nearly double its equivalent in the United States. According to a government estimate, high interest rates cost Korean companies 5.6 percent of their revenue in 1995, compared with 1.7 percent in Taiwan and 1.6 percent in Japan in 1994.

The Naeway Economic Daily said the committee would study the possibility of mergers and acquisitions among leasing companies, credit-card companies, merchant banks and other lending companies.

Mr. Yoo said the government would promote mergers among commercial banks in a bid to make them more competitive. He said at least one major bank merger is expected this year.

Also on Wednesday, the Bank of Korea said the net inflow of foreign funds to the South Korean stock market last year was $4.45 billion, up from $2.43 billion in 1995.

Last year, $12.41 billion flowed into stocks from overseas, while outflows totaled $7.96 billion, the central bank said. *(Bloomberg, Reuters)*

■ Lack of Confidence Pummels Japanese Stocks

Japanese stocks fell sharply, reflecting the market's deepening despondency over the government's efforts to revive the flagging economy, news agencies reported from Tokyo.

The Nikkei Stock Average of 225 leading shares fell 215.81 points, or 1.1 percent, to close at 18,680.38.

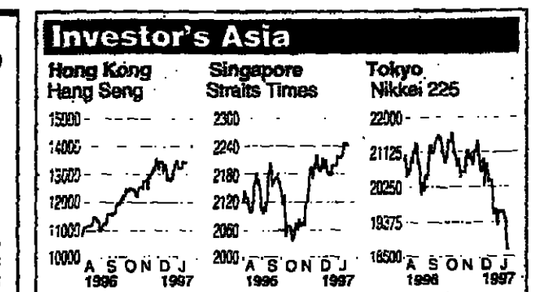
Banks, securities firms and construction companies, which are suffering from problems linked to bad loans, led the decline.

Stocks have begun the new year by dropping almost 3.3 percent this week. And some investors said the market could slip even further. Investors are waiting for the economy to shows signs of picking up or for the government to intervene with a stimulation measure, such as a tax cut or increased public spending.

"There are going to be some real problems if the Nikkei falls back to 16,000," said Shigemi Nonaka, general manager at Sakura Asset Management Co.

Finance Minister Hiroshi Mitsuzuka acknowledged that a lack of confidence in the economy was driving the Nikkei index down. "The fact that stock prices are continuing to fall means we must keep careful watch," Mr. Mitsuzuka said. *(Reuters, Bloomberg)*

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,454.93	13,420.16	+0.26
Singapore	Straits Times	2,243.28	2,246.59	-0.15
Sydney	All Ordinaries	2,415.00	2,400.70	+0.60
Tokyo	Nikkei 225	18,680.38	18,896.19	-1.14
Kuala Lumpur	Composite	1,239.54	1,237.50	+0.16
Bangkok	SET	831.33	820.11	+1.44
Seoul	Composite Index	621.41	611.05	+1.70
Taipei	Stock Market Index	7,019.43	6,875.02	+2.10
Manila	PSE	3,206.99	3,195.47	+0.36
Jakarta	Composite Index	662.21	660.37	+0.28
Wellington	NZSE-40	2,399.31	2,408.28	-0.37
Bombay	Sensitive Index	3,288.88	3,264.12	+0.76

Source: Telekurs International Herald Tribune

Very briefly:

- **Reuters Holdings PLC**, a leading global distributor of financial information, has paid 445 million Thai baht ($17.4 million) in cash for 49 percent of **Bisnews Information Services Ltd.**, an on-line provider that sells real-time data and news to 7,600 customers in the Thai financial industry.
- **Thailand**'s central bank plans to sell 50 percent of its 65 percent stake in the troubled **Bangkok Bank of Commerce** as part of a rehabilitation plan to be announced in March.
- **The Philippines** plans to finish selling off government assets this year, including Manila's water system, a copper smelting plant and a phosphate processing facility.
- **Malaysian** stocks rose to a three-year high Wednesday, closing 2.04 points higher at 1,239.54, as investors bet **Tenaga Nasional Bhd.** would receive approval to raise electric rates.
- **Jade Technologies Singapore Ltd.**, a maker of semiconductor components, is raising funds in Singapore in an initial public offering to expand its production.
- **Enterprise Oil PLC** has suspended its offshore drilling program in Cambodian waters after "disappointing results" in the amount of petroleum found in three wells.
- **Asahi Breweries Ltd.**, a Japanese beer maker, said it expected robust growth in sales to continue in 1997, while its two chief rivals, **Kirin Brewery Co.** and **Sapporo Breweries Ltd.**, said they foresaw only a dribble of growth after a flat 1996. *Bloomberg, AP, AFP, AFX*

Car-Export Boom Leaves Japan Short of Ships

Bloomberg Business News

TOKYO — The good news for Japanese shipping companies: Auto exports are surging. The bad news: Shippers have cut back their fleets, leaving them short of boats to take advantage of an unexpected boom.

The shortage is so bad that Japanese sea cargo carriers are resorting to modifying cold-storage ships, which normally carry fruits and vegetables, so they can ferry more cars.

"We can't keep up with the demand from automakers," said Hideaki Uematsu, spokesman for the Japanese Shipowner's Association, a trade group.

Rising auto shipments could increase profits at major shippers, such as Kawasaki Kisen Kaisha Ltd., Mitsui OSK Lines Ltd. and Nippon Yusen Kabushiki Kaisha, the industry leader.

Auto shipments make up only about a tenth of total revenue at Japan's big three shipping companies, yet they account for between 20 and 50 percent of the profits from their core business, analysts say.

While the increased orders are welcomed by Japan's shippers, the surge evokes memories of the boom days before Japanese manufactures relocated major production facilities overseas. After having scrapped surplus ships, cargo carriers now find themselves scrambling to keep up with orders.

"We're doing what we can, but the lack of capacity is pretty severe," said Masahiro Takaya, assistant manager of Mitsui OSK's auto-shipment section.

Buoyed by the dollar's renewed vigor, auto exports from Japan reversed a 17-month fall in June. Since then they have risen every month. They gained 14 percent on the year in November, the most recent month for which data are available.

But rising exports caught shippers by surprise. In recent years, a weak dollar had eroded the yen value of sales made abroad and increased pressure on Japanese manufactures to raise prices overseas. They curtailed exports in favor of local production in the United States and elsewhere. Vehicle exports dropped 15 percent in 1995, and continued falling through the first half of 1996.

FAT: *Finland's Cholesterol-Reducing Margarine Begins to Spread*

Continued from Page 11

Mr. von Hellens said, "two of my sandwiches or four of my wife's" contain the required 25 grams a day.

In Sweden, where Raisio snapped up the margarine maker Carlshamn Mejeri AB in October, it will take the same approach, rolling out its cholesterol-cutting spread in the summer. Further afield, though, the name Benecol will most likely take other forms. To be effective in cutting cholesterol, the active ingredient must be part of something consumed daily.

One of the biggest surprises for Raisio has been the high value Finns have placed on reducing cholesterol. Five years after research into a far-soluble form of sterol began, Raisio had a product it was ready to field test — not for its market appeal but for its effectiveness in cutting cholesterol.

"Our competitors saw what we were doing in the field but thought we would never roll it out as a commercial product," said Ingmar Wester, a 37-year-old Raisio scientist who invented Benecol. "No one ever thought that consumers would be willing to pay the far higher price."

Encouraged by a report published a year ago in the New England Journal of Medicine that concluded Benecol was effective in lowering cholesterol, Finns quickly shrugged off the cost question.

Thailand to Privatize

Compiled by Our Staff From Dispatches

BANGKOK — Thailand will privatize new major infrastructure projects as its economy liberalizes and expands, Suwat Liptapallop, the minister of transport and communications, said Wednesday.

Mr. Suwat said that projects slated for privatization included interprovince bullet trains, highways, a second national airline, a new Bangkok airport and telephones.

The minister said his ministry would soon invite private bids for a license to operate a second Thai national airline. He added that the government would seek private participation in building a second international airport in September.

Meanwhile, Finance Minister Amnuay Virawan, said the government had received backing from the armed forces for its plan to cut state spending, despite heavy cutbacks on military spending. *(Reuters, AFP)*

DAIWA JAPAN FUND

SICAV

2, boulevard Royal, Luxembourg

R.C. LUXEMBOURG B-22761

Notice is hereby given that an

EXTRAORDINARY GENERAL MEETING

of shareholders of DAIWA JAPAN FUND (the "Fund") will be held at Banque Internationale à Luxembourg, 69 route d'Esch, on January 17th, 1997 at 2 p.m. with the following agenda:

1. to resolve on the liquidation of the Fund
2. to appoint a liquidator

The quorum required for the meeting is of 50% of the shares outstanding and the passing of resolution Nr.1 requires the consent of 2/3 of the shares represented at the meeting.

If the quorum is not reached, a second meeting will be held on February 20th 1997 at the same place at 2 p.m. Wot resolve on the same agenda.
At such reconvened meeting, there shall be no quorum requirements.

Holders of bearer shares who wish to attend the meeting or vote at the meeting by proxy, should deposit their share certificates with Banque Internationale à Luxembourg S.A., 69, route d'Esch. L-1470 Luxembourg, prior to January 10th, 1996.

The Board of Directors.

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MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint Jude, worker of miracles, pray for us. Saint Jude, helper of the hopeless, pray for us. Amen. Say this prayer nine times a day, by the ninth day your prayer will be answered. It has never been known to fail. Publication must be promised. THANK YOU SAINT JUDE AND SAINT ANTHONY for all prayers answered. Please continue to look after us. JBT.

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WORLD ROUNDUP

AP

Jennifer Capriati hitting a forehand against Rene Simpson.

Sampras Hits Form

TENNIS Pete Sampras returned from a five-week break Wednesday and beat Michael Stich 6-4, 7-5 in Melbourne in the Colonial Classic, an eight-player warm-up event for next week's Australian Open. Sampras won the Australian Open in 1994 but lost to Mark Philippoussis in the third round last year.

Sampras next faces Yevgeni Kafelnikov, who beat Jim Courier 7-6 (10-8), 6-4. Boris Becker won his first-round match 7-6 (7-3), 6-1 over Andrei Medvedev and will play Michael Chang, who fought back to beat Thomas Enqvist 7-5, 6-4. *(AP)*

• Jennifer Capriati reached the quarter-finals of the Sydney International, a tournament she won four years ago at the age of 16, with a 6-2 6-3 victory Wednesday over Rene Simpson of Canada.

Goran Ivanisevic, the top men's seed, lost the second set to love to Javier Sanchez before winning 6-4 0-6 6-4. *(Reuters)*

Eagles Win in Wales

RUGBY UNION The United States warmed up for Saturday's match against Wales with a 15-13 victory over a Pontypridd team playing one man short. Christian Martin, an Argentine prop making his debut for the club, was evicted from the match after 30 minutes for taking part in a brawl. *(Reuters)*

Indians Pitcher Charged

BASEBALL Jose Mesa, a Cleveland Indians pitcher, and a friend, David Blanco, were charged Wednesday with gross sexual imposition. The police in the Cleveland suburb of Lakewood said two 26-year-old women reported that Mesa and Blanco fondled them in a motel room Dec. 22. Both men pleaded not guilty.

They also face a charge of carrying a concealed weapon after the arresting officers allegedly found a handgun in Mesa's vehicle. *(AP)*

• The San Diego Padres signed pitcher Fernando Valenzuela to a new one-year contract. *(Reuters)*

NFL Talks to Canadians

FOOTBALL The NFL is discussing plans to bankroll the struggling CFL as a player development league, The Toronto Star reported Wednesday. The newspaper, citing unidentified sources, said the NFL would provide some players to each team for the entire season. The NFL would pay those players' salaries and provide marketing money. *(AP)*

Ross Visits Lions

FOOTBALL Bobby Ross, the former San Diego Charger coach, met with the Detroit Lions to discuss their coaching position.

Ross met Saturday with the St. Louis Rams. He also is expected to meet with the Atlanta Falcons. *(AP)*

Schott To Sell Dealership

BASEBALL Marge Schott, the owner of the Cincinnati Reds, says she is tired of fighting General Motors and will sell her Chevrolet-Geo dealership after being accused of faking car sales. She will keep her other dealership, Schott Buick. *(AP)*

Potential Bidders for the Dodgers Step Up to the Plate

By Michael A. Hiltzik, Thomas S. Mulligan and Bob Nightengale
Los Angeles Times

LOS ANGELES — As the smoke began to clear Tuesday from Peter O'Malley's bombshell announcement that his family planned to sell the Los Angeles Dodgers, the first potential bidders began to emerge for one of baseball's premier franchises.

Among those expressing concrete interest were Peter Ueberroth, the former baseball commissioner, the celebrity lawyer Robert Shapiro, and Robert Daly, co-chairman of the music and film divisions of Time Warner. Each said he would consider mounting a bid as part of a syndicate of investors.

Speculation in the sports and telecommunications industries, however, focused on several entertainment companies that could incorporate ownership of the Dodgers in their broadcasting, cable or production operations. Heading that list is Los Angeles-based Fox Television, a unit of Rupert Murdoch's News Corp.

Observers say Murdoch is an exceptionally aggressive bidder for properties he wants. He would be well-positioned to profit from Dodger telecasts on his other communications holdings, which include satellite broadcasting systems around the world.

If buying the Dodgers "became part of the sports plan of Fox," Mr. Ueberroth said, "Rupert Murdoch would more than likely be the successful bidder, in my view."

Fox executives were unavailable for comment.

Other entertainment companies mentioned as possible bidders are Sony, MCA, Viacom, and ITT. Industry and corporate sources, however, played down the likelihood that any of those four companies might emerge as serious bidders.

Sony has not yet fully resolved its problems at Columbia Pictures and other U.S. entertainment units. MCA's new chief, Edgar Bronfman Jr., is understood to oppose any investment in professional sports. Viacom is burdened by debt that might constrain its ability to make a bid for the Dodgers; indeed, the company recently sold its interest in the New York Knicks basketball team and the New York Rangers Hockey team to ITT. Sources at ITT, meanwhile, say the company is not interested in making a Dodgers bid.

Industry observers say the Dodgers' high value as a prestige franchise, as well as the team's extensive real estate holdings in Los Angeles, Vero Beach, Florida, and the Dominican Republic, could drive the sale price to about $300 million. That would be a record for a major league baseball team.

That price would put a purchase well out of the range of any but the most well-heeled private investors or corporations that might exploit the team in ways that extend beyond the confines of Dodger Stadium.

Individuals or syndicates of private investors without related interests would be hard-pressed to rationalize paying a high price, according to several analysts.

"Our analysis would tell us this franchise will be sold for a record price," said Ueberroth, who said he would consider making a bid even though the team "has a marquee value that would probably eliminate us because we are economic buyers."

Daly agreed that private investors faced a high economic hurdle. "As individuals, the only way to do it is if you really have the passion. In cold dollars and sense terms, you probably can't get the return."

Since the news came out that the Dodgers were for sale, Daly said he had received several calls from wealthy friends who have offered to join him in an investment group if he decided to go ahead.

Some observers say the high-end estimates of the Dodgers' value depend on questionable assumptions about the value of the 300-acre Chavez Ravine plot on which Dodger Stadium sits.

The land, close to downtown Los Angeles, would have huge value if it could be developed commercially, but some local real-estate analysts doubt that the land can be fully exploited.

"When they talked about putting an NFL stadium there, the local neighborhood was up in arms, saying there was already too much congestion," said Richard Plummer of Cushman & Wakefield, a Los Angeles real estate concern. Even assuming that the city would allow the site to be developed for something other than a ballpark, the cost of traffic measures such as widening roads would eat up most of the profits, Plummer said.

Nevertheless, the allure of the Dodgers name is hard to underestimate. "It's the most valuable baseball franchise there is," said Shapiro, the attorney. "It's a very, very interesting opportunity, perhaps the last of the great opportunities." Shapiro said he was discussing forming an investment group with several "individuals who can afford it, believe me."

Even one executive at Walt Disney acknowledged that his company might have been a bidder had it not bought a controlling interest in the Anaheim Angels this year.

"The dynamics of Anaheim work so well for us," said Tony Tavares, president of Anaheim Sports, Disney's sports franchise division, referring to the clustering of the Angels' Anaheim Stadium, Disneyland and the Pond, home of the Mighty Ducks of the National Hockey League. "But you look at the Dodgers, who have been so successful and have a tradition of excellence. It's interesting."

O'Malley said Tuesday that his phone was ringing off the hook all day, but that he has yet to respond to any inquiries or proposals. "We haven't talked to anybody or listened to anybody yet."

He did say that it is possible he would remain with the Dodgers in some capacity after the sale.

"Anything's possible," he said. "It's also possible that the new owner would want me to stay here. If that happened, chances are I wouldn't turn them down."

"I'm not going to go into hiding or go to a ranch in Montana or anything," he added. "If I could be of help, I would like to stay here."

Parcells Jabs the Needle To Jump-Start Patriots

Coach's Target Is Star Runner, Martin, Whose Response Is Key to Playoff Hopes

By Gerald Eskenazi
New York Times Service

Curtis Martin listens to what Bill Parcells says and then wonders: What did he really mean by that?

He is the latest recipient of a Parcells psych job, which is designed to produce a big game. And having succeeded last week, Parcells and his running backs coach, Maurice Carthon, will work on Martin again as the New England Patriots get set to face the Jacksonville Jaguars on Sunday for the American Conference championship. If they do a good job, if Martin produces, a trip to the Super Bowl will be all the more likely for New England.

The reason is simple: Martin is a running back, and running the ball is what nearly every National Football League team wants to do in January games at cold-weather sites. Running is also what successful Parcells teams usually do well.

As the Patriots did last Sunday, when Martin had the second-longest touchdown run in playoff history — 78 yards — as part of a three-touchdown, 166-yard performance that helped demolish the Pittsburgh Steelers.

"I took it to the house," Martin said proudly and with some relief.

All last week, Martin had been hearing from Parcells and Carthon, who learned plenty under Parcells while serving as a blocking back with the New York Giants. What were they telling him? That Martin, who ran for 1,487 yards as a rookie last season, couldn't "take it to the house."

That he wasn't fast enough, that he wasn't making the cuts he should have to come up with the really big play. That he wasn't doing the old Martin stuff — especially in the last game of the regular season, when the Giants held him to nine yards on eight carries.

"Take it to the house" was a way of saying that he would deliver.

It has become Martin's favorite expression now.

What's even more interesting is that Martin actually had a respectable sophomore season as a pro. He had 14 rushing touchdowns this season, more than anyone in pro football except for the Washington Redskins' Terry Allen. He generated 1,152 yards on the ground, not as much as last year but still impressive.

But not good enough for Parcells, who advised Carthon to put on an old reel of film — last year's Patriots-Steelers game, in which Martin ran for 120 yards.

"Where did that guy go?" Carthon said.

With Parcells and Carthon leaning all over him, badgering, prodding, Martin had a nervous week of practice before the Steelers game. He was jumping too soon, he was going the wrong way. Somehow, by Sunday, though, he was focused. Parcells's needle had worked again.

And if it's any solace to Martin, Parcells, when coaching the Giants, even went after Lawrence Taylor.

One day at Giants practice, Parcells said to Taylor, "I'm going to change your name from L.T. From now on, it's going to be 'What's-the-matter-with-L.T.?' "

Taylor said: "What do you mean?"

"Guys in the press have been saying, 'What's the matter with L.T. lately?' " Parcells said.

Taylor got the message.

"Think they'll be asking you, 'What's the matter with L.T.', any more?" Taylor asked Parcells after the next game.

Interestingly, when Martin faced the Jaguars in Game 4 this season, he scored a touchdown, gained 95 yards on 24 carries and caught a pair of passes for 14 yards. Those are typical numbers for the 5-foot-11-inch, 203-pounder from the University of Pittsburgh.

He is a shifty runner who will benefit from the weekend's expected weather. It is supposed to snow in the Foxboro, Massachusetts, area on Friday, but clear up on Saturday and Sunday. The field that was so muddy and chewed up for the Pats' last regular-season game at home, against the Jets, that it was resodded and held up well against the Steelers.

Martin's success against the Steelers also came despite the absence of fullback Sam Gash, who was injured against the Jets and has been unable to play since. Keith Byars is now the fullback, and he is not as good a blocker as Gash. Still, Martin managed all those yards last Sunday.

His style is to change stride when he sees a better opening. He is neither a classic slithery runner nor the straight-ahead type. But he is quick enough to change direction.

Because Martin broke an ankle in his second game as a college senior and missed the rest of the season, he was passed over in the first two rounds of the 1995 draft. But in his first carry as a pro he ran for 30 yards. By the time the season was over, he had topped 100 yards nine times.

Now, approaching his first championship game, he actually enjoys watching Parcells and Carthon — his friendly tormentors — smile when things go well.

"It's what makes me feel good," Martin said, "knowing it's making them feel good."

Peter Cosgrove/The Associated Press

Anfernee Hardaway of the Orlando Magic, left, fighting Derrick Coleman of Philadelphia for a loose ball.

Hardaway's Return Lifts Orlando

The Associated Press

Anfernee Hardaway returned to the Orlando lineup. He didn't have a great game, but he helped his struggling team win.

Sidelined most of the season because of knee problems, Hardaway had 15 points, seven assists and six turnovers as the Magic beat Philadelphia 109-88 Tuesday night.

"I was never nervous, just anxious to get out there on the floor and run up and down," Hardaway said. "I wasn't really worried about my knee. It was just a matter of how I was going to play. I see I had six turnovers, so I'm a little rusty."

In addition to getting Hardaway back, Orlando got a boost from the return of Horace Grant and Nick Anderson, who also had been sidelined with injuries. Grant scored 20 points and Anderson had 12 points, eight rebounds and five assists for the Magic, who had lost 13 of their previous 16 games.

NBA ROUNDUP

Pacers 95, Cavaliers 90 Rik Smits also made his return Tuesday night. He was rusty in his season debut, but the 7-foot-4 center helped the Pacers by just being on the court. Smits contributed two points and five rebounds as Indiana beat Cleveland.

Indiana struggled to a 14-16 record without Smits.

The Pacers won without Reggie Miller, who was sidelined by the flu. Dale Davis, who shot 9-for-9 from the field, led the team with 21 points. Travis Best scored 19 points and Jalen Rose, Miller's replacement, scored 16.

Hawks 105, Suns 103 Henry James hit a 3-pointer with one second left in overtime to give Atlanta its 12th straight home victory. Christian Laettner scored 30 points for the Hawks, and Dikembe Mutombo had 22 points and 21 rebounds.

Clippers 87, Raptors 80 Loy Vaught had 21 points and 14 rebounds as visiting Los Angeles rallied to win its fourth straight. Damon Stoudamire scored 25 points for Toronto, which has lost four in a row.

Knicks 102, Mavericks 72 In New York, Dallas barely avoided its lowest point total ever. The Mavs were in danger of breaking their franchise low of 68 before backup center Greg Dreiling scored five points in the final 32 seconds. Patrick Ewing had 18 points, 10 rebounds and seven blocks for New York, which played without ailing starters Chris Childs and Larry Johnson.

Nets 90, Spurs 74 In New Jersey, Jayson Williams had 19 points and 16 rebounds in his return for New Jersey after missing 10 games with injuries.

Williams, who was sidelined with torn ligaments in his right thumb and a strained right knee, helped the Nets snap a three-game losing streak.

Bucks 86, Pistons 76 Vin Baker had 25 points and 12 rebounds, and Milwaukee held Detroit to 28 points in the second half to win at the Palace of Auburn Hills. The Bucks snapped a five-game losing streak and ended Detroit's four-game winning streak.

SuperSonics 94, Heat 85 Seattle's Gary Payton scored 30 points and Sam Perkins scored 13 in the fourth quarter, including four 3-pointers. Tim Hardaway scored 28 points for Miami, which lost its second straight on a West Coast trip after winning 14 in a row on the road.

Rockets 104, Timberwolves 95 Clyde Drexler scored a season-high 37 points and Hakeem Olajuwon shook off a poor shooting performance with 14 fourth-quarter points. The loss snapped Minnesota's home winning streak at four games and improved Houston's road record to 13-2, best in the Western Conference.

Nuggets 108, Kings 96 LaPhonso Ellis scored 13 of his career-high 33 points in the third quarter as Denver won at Sacramento. Ellis, whose previous high was 30 against San Antonio in the Nuggets' last game, connected on 14 of 21 shots from the field as Denver snapped a four-game losing streak.

Kevin Larkin/The Associated Press

Paul Kruse of New York, left, guiding the puck toward the Penguins' goal.

Penguins Come From Behind to Wallop the Islanders

The Associated Press

Jaromir Jagr, Ron Francis and Mario Lemieux combined for seven points as the Pittsburgh Penguins beat the New York Islanders 5-3. That line has combined for 71 goals and 102 assists this season.

"When you have Superman, Batman and Robin, they're going to get a few," said Travis Green of the Islanders.

Also worthy of mention was goaltender Patrick Lalime, who made 49 saves, including 19 in the first period Tuesday night, in holding New York to a 1-0 lead.

Lalime was a wall until the Penguins' big guns cut loose in the second period. He stopped every shot in the first period except for Bryan Berard's 40-foot slap shot at 8:30.

New York took a 2-0 lead at 3:48 in the second period on Bryan Smolinski's 11th goal of the season.

"I thought we were playing pretty good, but then they got on a roll, and they just exploded," Islanders forward Marty McInnis said.

Jagr scored at 6:47, Francis tied it at 12:47, and Kevin Hatcher made it 3-2 at 14:20. Lemieux assisted on each.

"It hardly seems fair, but that's the way it is," Islanders coach Mike Milbury said. "It's totally unpredictable, totally fascinating to watch at times and frustrating when you're the opponent, because even though you play outstanding hockey against them, they find a way to score."

"That line makes coaching as useful as an Edsel," Milbury said. "We have some pretty good talent, but that group has three of the finest players ever to lace them up."

NHL ROUNDUP

Flyers 7, Bruins 3 Eric Lindros is also doing a pretty good Superman impersonation. He had a goal and two assists against visiting Boston to extend his scoring streak to 17 games, one shy of Bobby Clarke's Philadelphia team record.

The Flyers are 14-0-3 during Lindros's run, the longest unbeaten run since Pittsburgh was undefeated in 18 games in 1993.

Lindros has 12 goals and 16 assists in Philadelphia's unbeaten run, which has taken the Flyers to the top of the NHL.

Oilers 5, Blues 2 Doug Weight had two goals and an assist as Edmonton spoiled the coaching debut at St. Louis of Joel Quenneville.

Edmonton's fourth victory in a row snapped a four-game unbeaten streak for the Blues.

Edmonton's Andrei Kovalenko added a goal and an assist to run his scoring streak to 11 games, second behind Lindros among active streaks.

Flames 4, Maple Leafs 3 In Calgary, Theo Fleury forced overtime with a goal 31 seconds from the end of regulation, and Dave Gagner scored with a minute left in overtime. Steve Chiasson assisted on Fleury's goal and then got an assist on the winner when his slap shot was deflected into the net by Gagner.

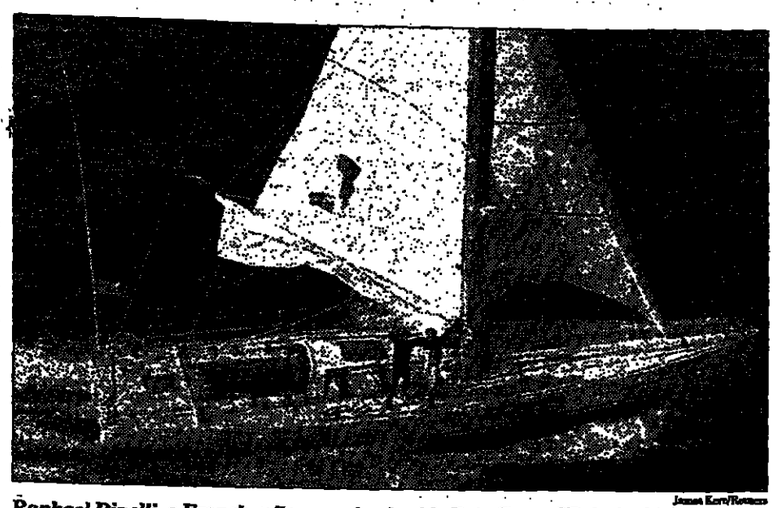
Kings 6, Canucks 2 Ed Olczyk scored three goals, and Vladimir Tsyplakov had two as Los Angeles ended a four-game losing streak.

Brad Smyth and Dimitri Khristich had two assists apiece, and Kevin Stevens scored only the third goal in 14 games for the NHL's second-worst power-play unit as the Kings ended Vancouver's four-game winning streak at the Forum.

Sharks 1, Sabres 1 At San Jose, the Sharks had a 42-20 advantage in shots in regulation time, but they needed Jeff Friesen's third-period goal to tie Buffalo.

Friesen scored with 6:39 gone in the third period to end an evening of frustration for the Sharks against Buffalo goalie Steve Shields, who was playing his first game after being called up from Rochester of the American Hockey League on Dec. 19.

SPORTS



James Kerr/Reuters

Raphael Dinelli, a French sailor, waving beside Pete Goss of Britain, his rescuer.

After Rescues, Australia Presses For More Safety in Yacht Races

By Ian Thomsen
International Herald Tribune

The distress beacon of a missing British sailor went dead Wednesday as the Australian government, which has been searching for capsized yachts since Christmas, pleaded with organizers to make races safer preceding the 2000 Olympics in Sydney.

The Australian Air Force has helped rescue one sailor from the Vendee Globe, a single-handed, nonstop race around the world. A second sailor was waiting in an Australian life raft to be picked up by helicopter Thursday, fierce storms in the Antarctic Ocean permitting.

The prospects for a third sailor, Tony Bullimore of Britain, diminished when no sign of him could be found near his capsized 18-meter (20-foot) yacht, Global Exide Challenger, which was found about 2,600 kilometers (1,600 miles) southwest of Australia. Before the beacon went quiet, rescuers identified it as being separated from the boat.

"When it stopped, we thought at first he wanted to send us a signal that he was still alive," said Philippe Jeantot, director of the four-month race that began in France in November. "We have now heard nothing for 12 hours."

A technical failure of the beacon was unlikely, he said. The best hope was that Bullimore, 56, an experienced trans-Atlantic sailor, had moved the beacon to another part of the hull, which was blocking the signal.

Four Orion military aircraft have been searching Australian waters this week for sailors of the Vendee Globe. A Frenchman, Thierry Dubois, was seen waving as he prepared for a cold, stormy night in a life raft dropped to him less than 80 kilometers from where Bullimore went missing.

Yet another French sailor was rescued by life raft just 10 minutes before his boat sank. Raphael Dinelli, a 28-year-old unofficial competitor in the race, began sinking on Christmas Day. He stood in the cold water washing across the foredeck for almost 30 hours in a driving wind and a three-meter swell. After climbing into the life raft he was picked up by a fellow racer, Peter Goss of Britain, who said he nursed Dinelli for three or four days. They sailed into Hobart on Wednesday.

Australia estimated the cost of Dinelli's relatively quick rescue at $123,000. That figure would be dwarfed by the other two rescue missions, said the acting defense minister, Bronwyn Bishop. The government said it would not seek compensation for the rescues.

"That man would have died if we hadn't gone and rescued him," she said. "It's as simple as that."

The Australian sports minister, Warwick Smith, has written to Guy Drut, the French sports minister and yachting federations, asking that race organizers work to find safer routes and to minimize hazards.

"I have no doubts about Australia's obligations under international conventions to rescue yachtsmen in difficulty," Smith said, adding that these rescues, along with a rescue two years ago of another French sailor, Isabelle Autissier, calls into question the organization of such events.

"I would like to suggest that the yachtsmen be required to take a more northerly route." It is longer, he said, but "the experts say it is also far safer."

Keegan Quits Newcastle in Mid-Season

By Rob Hughes
International Herald Tribune

LONDON — Kevin Keegan, one of the most charismatic of soccer managers, resigned Wednesday from Newcastle United, the English Premier League club he has served for five years.

The break was as simple as it was dramatic. "It was my decision alone" Keegan said in a prepared statement. "I feel I have taken the club as far as I can and that it would be in the best interest of all concerned if I resign now."

Even though Nigeria recently tried to tempt Keegan to coach its World Cup team, he has nowhere to go in the game. Newcastle and the surrounding towns, geographically isolated in the northeast of England, have long been one of Britain's strongest and most passionate soccer areas.

Keegan has said that Newcastle was the only club that could have tempted him back to a sport he left for eight years after playing; and it was said on his behalf Wednesday that he had no wish to manage another club.

Time will be the judge of that; many managers express such doubts in the emotion of separation. But by dusk yesterday, the bookmakers had made Kenny Dalglish a short odds favorite to replace Keegan, with Johan Cruyff the second favorite.

Dalglish replaced Keegan as a player at Liverpool in 1977 when Keegan, the Mighty Mouth, chose to leave for SV Hamburg.

Dalglish later managed Liverpool to England's championship and quit abruptly, claiming stress. He repeated the process at Blackburn Rovers, where he won the Premier League championship and soon resigned.

Dalglish, like Cruyff, is currently out of management, and both are partners in a new commercial venture being launched in Amsterdam later this month an indoor version of the game "World Soccer Sixes." But the flame of competitive soccer management usually draws gifted men back.

The budget at Newcastle United is immense. Keegan had bought 28 players for $91 million and sold 29 for $30 million: a loss of $60 million on a total turnover of $122 million.

Newcastle could absorb the loss because Keegan has reunited the club with success. He charmed tens of thousands of fans back, and he lifted a failing club toward European prominence. But he had not yet won a trophy, the ultimate sin in modern times.

Keegan had rescued the club from a lower division. This season it could still could win the Premier League title and should finish in the top six for the fourth year in a row.The last time that happened was 1907-1910.

Keegan had responded to soccer's increasingly global talent market like an inquisitive boy in the toy shop. He bought mainly exotic, attacking players. He believed in characters such as Colombia's Faustino Asprilla and France's David Ginola. Their flair is hypnotic, but while Keegan dared to put them together, he neglected to secure the defense behind them.

It was this fault — a blindness to the pragmatic side of soccer — that eventually caused him to resign.

Sport is now business, and it is no longer enough to entertain. The sponsors, banks and directors are taking Newcastle toward a stock market flotation. It is not surprising that some of them feared Keegan was spending money impulsively without proving that he could deliver a trophy.

On the day Keegan departed, Richard Branson, the intrepid balloonist, came swiftly down to earth. The last British adventurers had fallen. For now at least.

Rob Hughes is on the staff of The Times of London.

■ Player Given Leave

Dean Holdsworth, a striker with Wimbledon, one of the pacesetters in the Premier League, will miss his team's next two matches after being given compassionate leave by manager Joe Kinnear, who has told him to "sort your life out."

Holdsworth, 28, married with two young sons, has been at the center of a scandal involving a teenage soft-porn model. Another teenager has said she was involved with the player.

Holdsworth was arrested at his home on Saturday for being "drunk and incapable." His wife, Samantha, was awarded a nonmolestation order against him on Tuesday.

This followed tabloid stories that he had been having an affair with a porn model, Linsey Dawn McKenzie, and that they had had sex in his wife's car.

"Dean's family is more important than football," Kinnear said.*(Reuters)*

The Buggy Takes on Motor Racing's Giants

By Brad Spurgeon
International Herald Tribune

It may look like something out of Mad Max, but the Schlesser-SEAT Original X 462, otherwise known as "the buggy," is beating every other two-wheel drive and almost every four-wheel drive in the 19th Dakar rally.

Jean Louis Schlesser and his car stood 4th overall Wednesday after the 5th stage of the 16-day race through Senegal, Mali, Niger and Mauritania. He trailed by 15 minutes 21 seconds, having lost about 15 minutes Tuesday because of a navigation error.

If the privately made car beats competitors carrying familiar Japanese brand names when the rally ends next week, then Schlesser will take more pleasure in collecting the trophy for the top constructor than for first-place driver.

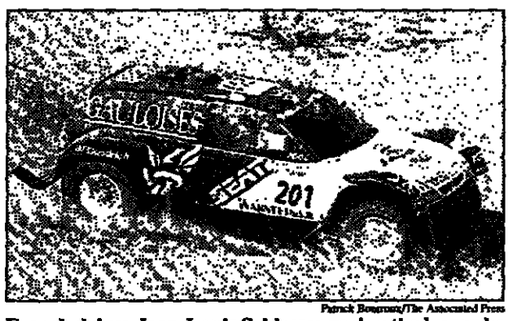
It is the realization of a dream for Schlesser that began in 1991, when he decided to stop driving other people's cars and build his own.

Schlesser said he had "won in just about every discipline except Formula One."

He was World Sports Car Champion twice for Mercedes in 1989 and '90, (beating future Formula One stars Michael Schumacher, Heinz-Harald Frentzen, and Karl Wendlinger driving in another Mercedes). He had been champion in French Formula 3, and in the French and the German prototype sports car series, and had driven for Williams in Formula One.

He said that he felt he "no longer had anything to prove" so he decided to build a car for the World Rallying Championship.

"What interested me," he said, "was to have another challenge. But I wanted something that would allow me to surpass myself in another domain. I said to myself that it would be a fun challenge to try to make a car."



Patrick Bouvet/The Associated Press

French driver Jean-Louis Schlesser racing the buggy he built through Mali in the Dakar-Agades-Dakar Rally

"When I went to meet sponsors," he said, "they would accept to see me because my name was well known. All the doors were open, but each time I asked for something, they would respond very politely. 'Well, please understand, Jean-Louis. You're a driver. If you continue driving, we'll continue sponsoring you. But to make cars? It's not the same job.'"

He managed to put together enough of his own money to hire one mechanic in 1991 and to make a single buggy.

The car looks unusual because it was designed for rallying while most of its competitors are adapted from production-line models.

He started racing it in the World Rallying Championship in 1992. That year he won two races.

"So I added a second mechanic," he said, "and now today there are 14 of us, and we have sponsors, and we've won the World Cup four times: '93 to '96."

His factory is near Cannes. The engine is supplied by SEAT. His tires are B.F. Goodrich/Michelin. His chassis is molded in the United States to his design.

He entered two buggies in the Dakar-Agades-Dakar rally, and is driving one with navigator Philippe Monnet, who is equally adept in a yacht, having set a record in solitary circumnavigation of the world 10 years ago.

Schlesser, 48, said he drives "for the pure fun of it."while dreaming of expanding his business.

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	Pct	GB
New York	24	9	.727	—
Miami	24	9	.727	—
Washington	14	15	.516	7
Orlando	12	17	.414	10
New Jersey	9	21	.300	13½
Philadelphia	8	24	.250	15½
Boston	7	23	.233	15½
CENTRAL DIVISION				
Chicago	29	4	.879	—
Detroit	24	8	.750	4½
Cleveland	21	11	.656	7½
Atlanta	19	11	.633	8½
Charlotte	18	14	.563	10½
Milwaukee	16	16	.500	12½
Indiana	15	16	.484	13
Toronto	10	22	.313	18½
WESTERN CONFERENCE				
MIDWEST DIVISION				
	W	L	Pct	GB
Houston	25	8	.758	—
Utah	23	9	.719	1½
Minnesota	14	19	.424	11
Dallas	10	20	.333	13½
San Antonio	9	22	.290	15
Denver	9	23	.281	15½
Vancouver	6	27	.182	19
PACIFIC DIVISION				
L.A. Lakers	25	10	.714	—
Seattle	24	11	.686	1
Portland	19	15	.559	5½
L.A. Clippers	14	19	.424	10
Sacramento	14	21	.400	11
Golden State	12	19	.387	11
Phoenix	10	23	.303	14

TUESDAY'S RESULTS

Milwaukee 26 19 19 22— 86
Detroit 24 34 14 14— 76
M: Baker 9-15 7-10 25, Allen 7-14 2-2 19; D: Hill 7-18 10-14 24, Thorpe 7-12 1-1 15. Rebounds—Milwaukee 47 (Baker 12), Detroit 46 (Thorpe 10). Assists—Milwaukee 22 (Douglas 5), Detroit 17 (Hill 9).
Cleveland 21 22 23 24— 90
Indiana 14 18 31 32— 95
C: Brandon 11-17 4-6 26, Ferry 6-12 2-2 15, Hill 7-12 1-1 15; I: D.Davis 9-9 3-6 21, Best 5-8 7-10 19. Rebounds—Cleveland 38 (Hill 6), Indiana 47 (D.Davis, A.Davis 9). Assists—Cleveland 18 (Brandon 9), Indiana 16 (Rose 4).
Miami 22 14 29 20— 85
Seattle 23 23 21 27— 94
M: Hardaway 9-21 6-6 28, Daniels 6-12 2-4 16. S: Payton 10-21 9-11 30, Schrempf 5-12 9-12 19. Rebounds—Miami 55 (Mourning 10), Seattle 49 (Kemp 11). Assists—Miami 13 (Hardaway, Crotty 3), Seattle 17 (Payton 9).
Houston 24 22 27 37—104
Minnesota 30 20 25 28— 95
H: Drexler 11-17 10-10 37, Olajuwon 8-23 5-6 22; M: Marbury 7-21 6-6 23, Gugliotta 8-20 5-6 22. Rebounds—Houston 57 (Barkley 14), Minnesota 46 (Garnett 9). Assists—Houston 18 (Livingstonn 6), Minnesota 16 (Marbury 6).
Denver 32 28 27 22—109
Sacramento 25 28 17 34— 96
D: L.Ellis 14-27 1-2 32, Jackson 9-12 1-7 22, D.Ellis 8-12 2-2 21; S: Richmond 7-16 4-7 19, Abdul-Rauf 6-13 5-5 18. Rebounds—Denver 53 (Johnson 16), Sacramento 53 (Polynice 13). Assists—Denver 27 (Jackson 12), Sacramento 20 (Edney 9).
L.A. Clippers 23 28 23 21—97
Toronto 25 25 19 11—80
L.A.: Vaught 8-16 5-6 21, R.Rogers 6-19 3-5 15; T: Staudamire 11-27 0-2 25, Christie 5-15 5-6 19. Rebounds—Los Angeles 62 (Vaught 14), Toronto 57 (Christie 11). Assists—Los Angeles 24 (Delaire 8), Toronto 22 (Staudamire 9).
Dallas 9 19 14 28— 72
New York 23 31 27 21—102
D: Jackson 6-23 6-9 20, Gatling 6-13 4-5 16; N.Y.: Starks 7-14 3-4 21, Ewing 7-12 4-6 18. Rebounds—Dallas 60 (Jackson 7), New York 55 (Ewing 10). Assists—Dallas 11 (Mashburn 4), New York 22 (Ward, Starks 7).
San Antonio 18 17 18 21— 74
New Jersey 22 21 31 16— 90
S.A.: M.Williams 5-12 6-8 16, Johnson 7-9 2-2 16; N.J.: J.Williams 8-16 3-5 19, Gill 5-11 6-7 16. Rebounds—San Antonio 50 (Perdue 9), New Jersey 62 (J.Williams 16). Assists—San Antonio 14 (Alexander 4), New Jersey 20 (Pack 12).
Philadelphia 19 19 27 23— 88
Orlando 22 29 29 29—109
P: Iverson 8-17 6-8 25, Coleman 7-17 6-7 20; O: Selkaly 6-12 11-11 23, Grant 8-11 4-6 20. Rebounds—Philadelphia 46 (Cage, Coleman 8), Orlando 62 (Selkaly 15). Assists—Philadelphia 14 (Stackhouse 6), Orlando 29 (Hardaway 7).
Phoenix 24 28 24 23 12—103
Atlanta 29 22 18 22 14—105
P: Chapman 12-21 4-6 32, Person 7-16 2-3 19; A: Loehner 11-22 6-9 30, Mutombo 7-9 8-8 22. Rebounds—P: 55 (Williams 12), A: 66 (Mutombo 21). Assists—Phoenix 24 (Johnson 8), Atlanta 18 (Blaylock, Recasner 5).

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	T	Pts	GF	GA
Philadelphia	26	12	4	56	140	103
Florida	21	10	9	51	118	92
N.Y. Rangers	22	16	6	50	153	122
New Jersey	21	15	3	45	105	107
Washington	17	20	4	38	109	110
Tampa Bay	14	20	5	33	113	127
N.Y. Islanders	12	20	8	32	102	118
NORTHEAST DIVISION						
	W	L	T	Pts	GF	GA
Pittsburgh	22	15	4	48	153	130
Buffalo	21	15	5	47	122	107
Hartford	17	16	7	41	122	131
Montreal	16	18	8	40	136	144
Boston	15	19	6	36	116	143
Ottawa	12	20	7	31	107	119
WESTERN CONFERENCE						
CENTRAL DIVISION						
	W	L	T	Pts	GF	GA
Dallas	23	15	3	49	118	100
Detroit	28	13	7	47	125	85
Phoenix	18	19	4	40	110	130
St. Louis	18	21	4	40	122	141
Chicago	15	21	7	37	111	120
Toronto	17	25	0	34	128	150
PACIFIC DIVISION						
	W	L	T	Pts	GF	GA
Colorado	24	10	7	55	144	98
Edmonton	19	19	4	42	141	129
Vancouver	19	20	1	39	126	136
Calgary	15	22	5	35	106	124
Anaheim	14	21	5	33	113	126
San Jose	14	21	5	33	102	126
Los Angeles	14	23	4	32	110	140

TUESDAY'S RESULTS

Pittsburgh 0 4 1—5
N.Y. Islanders 1 1 1—3
First Period: New York, Bernard 5, Second Period: New York, Smolinski 11 (Pathy) 3, P-Jagr 36 (Lemieux, Woolley) 4, P-, Francis 16 (Lemieux, Jagr) 5, P-Hatcher 8 (Lemieux, Jagr) (pp). 6, P-Nedved 19 (Mullen, Dziedzic) Third Period: New York, Green 8 (McInnis, King) 6, P-Barnes 9 (Hatcher) Shots on goal: P- 1-17-4—22, New York 20-15-15—50. Goalies: P-Lalime, New York, Soio.
Boston 0 2 1—3
Philadelphia 4 0 3—7
First Period: P-Samuelsson 4 (Otto) 2, P-Lacroix 4 (LeClair, Druce) 3, P-, Otto 8 (Podein) 4, P-Lindros 13 (LeClair) Second Period: B-Donato 14, 6, B-Oates 12 (Donato, DiMaio) Third Period: P-Renberg 9., B, P-, Howerchuk 10 (Nilmimaa, Lindros) (pp). 9, B-DiMaio 10 (Oates) 10, P-Howerchuk 11 (LeClair, Lindros) (pp). Shots on goal: B- 7-11-7—25, P- 13-12-11—36. Goalies: B-Tallas, P-Hextall, Snow, Hextall.
Edmonton 1 1 3—5
St. Louis 0 1 1—2
First Period: E-Weight 11 (Kovalenko, Satan) Second Period: E-Kovalenko 21 (Satan, Weight) 3, S.L.-Hull 19, (sh). Third Period: E-Buchberger 4 (Smyth) 5, E-DeBrusk 2 (Murray, Grier) 6, E-Weight 12 (Lowe) (pp). 7, S.L.-Twist 1 (Hull) Shots on goal: E- 11-6-10—27. S.L.- 7-12-13—32. Goalies: E-Joseph. S.L.-Fuhr.
Toronto 1 1 1 0—3
Calgary 0 1 2 1—4
First Period: T-Sundin 27 (Fairchild, Zetter) Second Period: C-Hoglund 11 (Gagner, Iginla) 3, T-Baker 6 (Warriner, Nedved) Third Period: C-Tilton 15 (Reichel, Racine) (pp). 5, T-Baker 7 (Zetter) 6, C-Fleury 18 (Iginla, Chiasson) Overtime: 7, C-Gagner 12 (Chiasson) Shots on goal: T- 9-17-4-1—31. C- 10-11-18-1—40. Goalies: T-Potvin. C-Kidd.
Buffalo 0 1 0 0—1
San Jose 0 0 1 0—1
First Period: None. Second Period: B-Smehlik 7 (Burridge, Dowe) Third Period: S.J.-Friesen 12 (Iafrate, Nolan) Overtime: None. Shots on goal: B- 5-9-6-3—23, S.J.- 13-18-11-1—43. Goalies: B-Shields. S.J.-Terreri.
Vancouver 1 0 1—2
Los Angeles 2 2 2—6
First Period: L.A.-Tsyplakov 10 (Nurminen, Khristich) 2, L.A.-Stevens 5 (Broten, Ferraro) (pp). 3, V-Aucoin 3, Second Period: L.A.-Olczyk 11 (Berg, Smyth) 5, L.A.-Tsyplakov 11 (Khristich) Third Period: L.A.-Olczyk 12 (Smyth) 7, V-Bure 17 (Magilny, Hedican) 8, L.A.-, Olczyk 13 (Stevens) (en). Shots on goal: V- 7-13-18—38, L.A.- 11-18-13—32. Goalies: V-Hirsch, L.A.-Fiset.

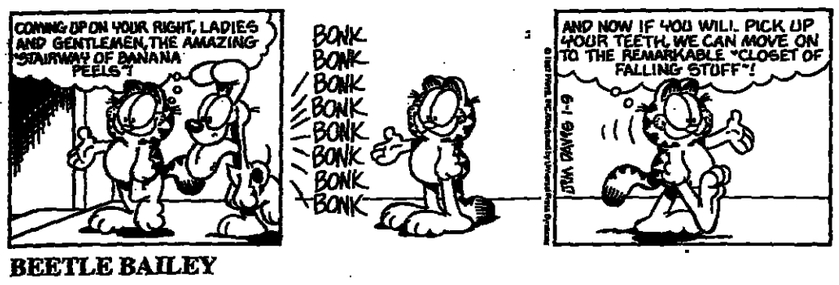
DENNIS THE MENACE

"YES, I'M SURE IT'S NOT YOUR CARBURETOR."

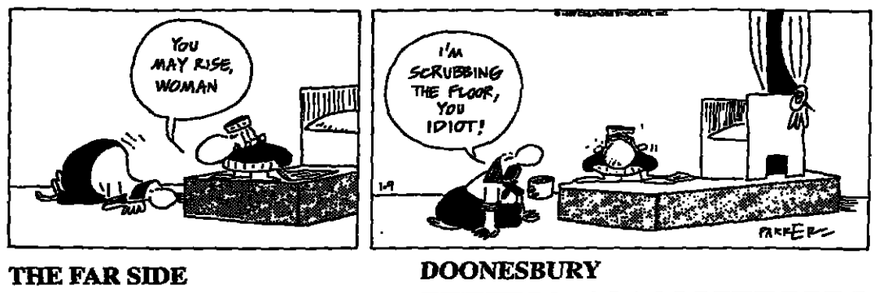
PEANUTS

CALVIN AND HOBBES

GARFIELD



WIZARD of ID



BEETLE BAILEY

THE FAR SIDE

"Letter from Lonso. ... And he sounds pretty lonely."

DOONESBURY

BLONDIE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words:

LERED
OUDES
YARBEN
LANNID

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print Answer here: _____

(Answers tomorrow)

Yesterday's Jumbles: CARGO ARMOR FRACAS BECKON
Answer: Another broken engagement made her life seem like this — NEAR MISS

Air Dolomiti
Welcome to Italy
Munich
Turin Cagliari Genoa Verona Venice Trieste
Information (39-) 432/512464

ART BUCHWALD

What an Honor

WASHINGTON — The Queen's Honors List just came out, and it's the envy of all of us who cherish titles. Once you get knighted in England you are guaranteed a table at any halfway decent restaurant in London and served a tray of hot tea and biscuits during intermission at the theater.

Buchwald

I only mention this because, while the United States bestows more honors on its citizens, none has the class of the Queen of England *tapping you on the shoulder* with a sword.

Rather than royal titles, America bestows honors such as "Man of the Year" on its citizens. A "Man of the Year" award is always given at a dinner costing $1,000 a plate. The only other reason for holding the dinner is to raise money for charity. "Woman of the Year" banquets are occasionally held, but they don't sell as many tables as men.

□

Once the "Man of the Year" is selected and the committee decides that it can get enough people to turn out for the evening, the call is made to the lucky recipient, telling him that the country wishes to pay homage to his civic and charitable work.

The one rub is if the person is not available that night he can't be "Man of the Year." Everyone knows that you can't have a "Man of the Year" dinner without a "Man." So the committee says that it's sorry, but it will have to find another "Man of the Year" — one who will show up.

The "Man of the Year" dinners are very touching.

This is because the "Man" being honored is counted on to buy 10 tables for his family. The other tables are sold to people who do business with him and are afraid not to buy in case they lose the account.

□

Once everything is in place, the special guests of honor march across the dais to their seats. This honor costs $25,000, which is cheap, because the rest of the gathering gets to see you while you are eating.

The ceremony finally begins. The honoree's golfing partner, his tax attorney and grandson speak glowingly about him, while at the other end of the ballroom the chairman is counting the take.

The "Man of the Year" gets up to thank everyone in the room, including his brother who couldn't be there because he was at a Celtics game.

That's the difference between how America rewards its citizens and how Queen Elizabeth rewards hers. Some Americans believe that Her Majesty does a much better job because when the British are knighted they never have to buy tables.

And the First Winner . . .

The Associated Press

BEVERLY HILLS, California — Imax Corp. won the year's first Oscar for its development of large-format movies, as Academy Awards for scientific and technical achievement were announced. The Imax award and 12 other honors given by the motion picture academy recognize inventions of value to the movie industry.

The Griot of the Military, a Man of Many Names

By Ken Ringle
Washington Post Service

FAIRHOPE, Alabama — As a Gulf Coast sunset gilds the waterscape behind him, W.E.B. Griffin, the grizzled griot of the warrior breed, sets down his glass of cabernet and begins explaining how the Nazis smuggled their World War II loot into Argentina.

With him on his cedar deck overlooking Mobile Bay are the military writers Alex Baldwin, Webb Beech and Walker E. Blake, the children's author Edmund O. Scholefield, the romance novelists Eden Hughes and Allison Mitchell, the satirist W.E. Butterworth, the crime novelists Jack Dugan and John Kevin Dugan, and the auto racing writer James McM. Douglas, as well as Blakely St. James, whose name adorns "*Christina's Passion*," a work of lesbian pornography.

Yet when they all rise to go in to dinner, only Bill Butterworth leaves his chair. He's the whole battalion — a rapid-fire 67-year-old writing machine so popular and prolific he long ago lost track of exactly how many books he has written. A partial accounting compiled by his secretary lists 135.

In the past 15 years alone, as W.E.B. Griffin, he's authored four separate series of novels — "The Brotherhood of War," "The Corps," "Badge of Honor" and "Honor Bound" — a total of 24 generally well-reviewed books that have sold more than 23 million copies, netting him by conservative estimate at least $1 million a year.

Why all the pseudonyms?

"Writing for me is a business," he growls, "*I decided long ago that if a librarian has a* limited amount of money to spend, she's not going to spend it all on one writer. The more names you have, the more shots your books have at being purchased."

But he has more or less settled in as W.E.B. Griffin these days, and one of the ground rules negotiated for his first interview ever specifies that he be called Griffin from here on out.

"That's how people know my books these days. That's how I want them to know me."

In an era of talk show flackery and media hype, Griffin won't do book tours and he won't do TV. "I still don't understand the point of all this," he says, eyeing the tape recorder nervously. "My life hasn't been very interesting."

But two cigars later he begins talking about his years in army counterintelligence *in postwar Germany* ("Henry Kissinger was in CIC there too, you know"). And about three never-accounted-for U-boats. And *about what he's discovered in recent years* about World War II German loot in Argentina. "Basically, we know one U-boat got there in the last days of the war, one was sunk trying," he says. "The third? We just don't know. You can get an awful lot of money on one submarine."

To vast numbers of military and former military readers, Griffin has become the troubadour of the American serviceman. It's not that his books are paeans to combat. Though he does the occasional battle scene — and does it well — his books are really about the military as an institution and how its rituals, traditions and bureaucracy mold the character of its people and vice versa. His army and Marine Corps have more than their share of cowards, sycophants and fools. But ultimately, he suggests, the services have been redeemed and driven by a core warrior culture characterized by a flinty and sometimes maverick integrity. Griffin constantly asks us with his writing to consider how and why that integrity takes form.

"There's no question the books are about values, but basically I'm a storyteller," Griffin says. "I like to think I'm a competent craftsman, as writers go, but I am wholly devoid of literary ambitions or illusions. I'm just telling stories."

Unlike Tom Clancy, whose technology is usually more human than his characters, Griffin writes of a world still shaped by individual personalities — personalities that grow and mature from book to book. In the "Brotherhood of War" series it's the world of Craig Lowell, a spoiled blue blood who discovers a talent for leadership and innovation in an army struggling to define its mission in the years after World War II.

In "The Corps," it's the world of Kenneth (Killer) McCoy, a wily Depression-era dropout who joins the Marines as a meal ticket out of his coal mine town and finds an outlet for his street-smart skills in the war against the Japanese. In "Honor Bound" it's the world of Cletus Frade, a Guadalcanal veteran whose secret mission to sabotage Nazi opportunists in Argentina becomes a simultaneous search for his Argentine father and a heritage he never knew.

If the books are genre page-turners of history, adventure and suspense, they often carry as well a poignant undercurrent of loneliness

Karen Shamie-Basha/The Washington Post
Author Butterworth, 135 books later.

and vulnerability. Familial estrangement stalks almost all of Griffin's novels. Protagonists rich and poor find a home in the military, in part because they have no other.

In a sense that's Griffin's story, too. He grew up with his mother in South Orange, New Jersey, the product of a broken home. He describes his father as a "charming scoundrel" with enough family money to live well as a Manhattan playboy of the 1930s and '40s, "going to nightclubs and playing golf for other people's money."

Griffin himself "got thrown out of seven of the country's best prep schools" and grew up as a bookish and rebellious loner who "never felt sorry for myself but also never felt I belonged" either in the adult world or with youngsters his age. His parents sent him into the army in 1946 as an enlisted man, "expecting that it would give me discipline and I would hate it." Instead he found both an education and an institutional structure he could understand. He also apparently found some father figures.

"There used to be a certain percentage of the officer corps who were really inspiring people," he says. "Great intelligence. Great character. Great morality. Great principles. I think we're losing that now. . . . Like any bureaucracy the armed services are getting perverted, and with this political correctness business they're promoting the wrong people. But I knew some extraordinary people in the army, and they got a lot out of me."

He joined up in the immediate aftermath of World War II, and was trained in counterespionage and sent to college in Germany to keep an eye on ex-Nazis and budding communists. After a few years he left the army and came home for "the worst year of my life" as a salesman for Karo syrup and Argo starch in Philadelphia. Then he was recalled during the Korean War as an aide to several officers he'd known in Germany, working first in covert operations in Korea and later as a staff noncom and then a civilian planner helping develop the concept of armed helicopters that would play such a significant role in the Vietnam War.

In 1959, he says, while a civilian employee of the army at Fort Rucker, Alabama, he wrote his first book, "Comfort Me With Love," in three weeks and sent it to a former prep school classmate then working in publishing. To his surprise it was immediately accepted as an original paperback novel. He got a check for $1,000.

"I thought this was pretty good. Here I was with a wife and a couple of kids, making $3,600 a year from the army, and in three weeks I had increased my income by more than 25 percent. So I wrote another one and got another $1,000, and then another. And after the third one, my old classmate told me, 'You need an agent.' And he got me one. And my fee went from $1,000 to $3,500. And all of a sudden I was making more from my writing than I was from the army."

By 1980, Griffin had written more than 100 books ranging from 12 "M*A*S*H" sequels to "The Girl in the Black Bikini" (1963) to "Dave White and the Electric Wonder Car" (1973).

Griffin, however, says he's slowing down. These days, he says, it takes him as much as six months to write a novel — almost twice the time it took just a few years ago. He tries to be philosophical about that. "The thing is to get in the groove and keep going," he says. "I write in long spurts. And I always know when to quit. I quit when I'm empty."

MOVIES

Geoffrey Rush Basks in His Sudden Fame

By Bruce Weber
New York Times Service

NEW YORK — Looking over the shoulder of her companion at the bar, a woman on a tall stool smiled an "I know you" smile across the room.

Geoffrey Rush, who had been sitting over a Scotch for more than an hour, smiled back, waggling his fingers in pleased if somewhat sheepish acknowledgment.

"I just had a New York experience," he said. "I think I've been recognized." He paused a moment. "This is nice."

It's likely to happen with greater frequency as his sudden fame spreads. Indeed, his performance, in the film "Shine," as David Helfgott, the Australian concert pianist who emerged from more than a decade of mental illness to reclaim his place in the musical world, has made him a show business cliché: at 46, after 25 years of diligent work as a stage actor, Rush has become the proverbial overnight sensation.

In the last month, Rush, whose lanky build, long, rubbery face and slightly *off-kilter good looks recall* the American actor James Woods ("a cuddly James Woods," Rush said), has collected a cache of splashy honors. He was named best actor of the year by the Los Angeles Film Critics and by the New York Film Critics Circle, and he was nominated by the Hollywood Foreign Press Association in the best dramatic actor category — along with Liam Neeson, Woody Harrelson, Mel Gibson and Ralph Fiennes, movie stars and matinee idols all — for a Golden Globe, an award that has become something of a harbinger of the Oscar in recent years.

"How do you wrap your head around that one?" he said, aware of both his good fortune and its potential pitfalls. Talking at the Knickerbocker Bar and Grill in Greenwich Village, unrecognized (nearly) by a gregarious holiday crowd, he sounded weary, having flown 22 hours from his home in Melbourne for interviews in New York.

"Sometimes things get accolades as good acting because the acting is obvious," he said. "We like to see the thrill of the fireworks, and yet the performance may not resonate afterwards as meaningful human interaction."

Robert Francois/The New York Times
Rush: "I've been recognized."

He spoke with a hint of understanding that the wide appreciation of his work in the film has occurred in the broad context of pop culture.

The penchant of reviewers has been to compare his performance, as the childishly effervescent, profoundly self-conscious Helfgott, to those of Daniel Day-Lewis in "My Left Foot" and Dustin Hoffman in "Rain Man," celebrated roles that also required the actors to adopt the pronounced physical idiosyncrasies of the handicapped. Helfgott's speech — rapid-fire, mumbling, full of reminiscence and association between present and past — testifies to the lingering effects of his illness.

"People have been asking me, 'How did you learn to speak so fast?' " Rush said. "To me that's like being asked, 'How do you remember the lines?' I guess it's the fascination of an outsider being in awe of what we do as actors. I'm in awe of airline pilots. I couldn't land a jumbo. They do it every day of their lives. But what we do is fly through lines. That's just the homework."

But the homework is not always a breeze.

"I had confusing reports of his condition," said Rush, who listened to tapes of Helfgott speaking to the film's director, Scott Hicks, and met the pianist himself. "I heard, 'It's a complex disorder, a form of psychosis, a shattered ego.' "

Eventually, Rush said, he drew on Helfgott's own self-assessment.

"In these audio tapes he made when he was talking to Scott," Rush said, "he always referred to the event, the affliction, as the period when he was damaged. That's a great key." Rush slipped into cheerful, rambling Helfgott-speak. "I was damaged then, wasn't I, darling? Wasn't I damaged? Yes, I was."

Rush paused. "You can't play psychiatric conditions," he said.

"And any actor knows that when a director says, 'Be more angry,' you think that's meaningless. But to play a scene as if the character has some kind of mental fog that has descended and clouded his thinking, that gives you a range of things to work with. So you haven't got to actually explore the psychiatry of the character to reveal it."

He is a child of the stage, not the screen, and with only a handful of films to his credit before "Shine," he remains unaccustomed to film acting.

"What you have to get used to on a film set is that it's an industrial work site" in which much of what goes on is out of the actor's control, he said.

On "Shine," he said, "everyone was telling me: 'You've got to pull it back, pull it back, the audience is only nine inches away. It's in the eyes. Think the thought and it'll be there.' And I thought, 'Well, I've got a problem here, because the character I'm playing is spilling outwards all the time.' "

The movie tells the dramatic, triumphant story of Helfgott's descent into madness, the mysterious re-unveiling of his gift 13 years later and the salvation it has brought him. Now 49 and performing regularly again, he will make a tour of the United States in March.

PEOPLE

THE "Hollywood madam," **Heidi Fleiss**, has been sentenced to 37 months in prison for cheating on her taxes, laundering call-girl profits and conspiring to hide her crimes. Fleiss, 30, tearfully told the judge just hours before sentencing that she was remorseful. Fleiss will serve her sentence in a minimum-security facility in Pleasanton, California. The judge fined her $400, put her on three years probation, and ordered her to serve 300 hours of community service and attend a substance abuse program. "When you are released from custody, hopefully you'll do many of the things you've dreamed about," **Judge Consuelo Marshall** told Fleiss. "I believe you'll be a positive role model for other young women just by the experiences you've had." At her trial, models-turned-prostitutes had recounted being sent around the globe to service Fleiss clients, sometimes earning $10,000 for a single assignment.

□

Scathing criticism by a Swedish journalist of **Queen Margrethe's** smoking habits lit a storm of fury in Denmark with tabloid newspapers slamming Swedes for "double standards" and "hypocrisy." "Smoke War against the Swedes," said the popular tabloid Ekstra Bladet across its front page. "Let the Queen Smoke in Peace" read the headline of an article inside the daily. "Keep up the puffing, Margrethe" was another newspaper headline. In the Gothenburg Post, the columnist **Hagge Geigert** attacked the chain-smoking Danish monarch for being "a living advertisement for cancer-inducing" tobacco and setting the public a bad example. "The Danish queen has her own special servant who follows her around with an ashtray," Geigert wrote. "She smokes everywhere even in care centers."

□

Investigators in Chicago looking into the hanging death of the mystery writer **Eugene Izzi**, 43, have found an unpublished novel bearing striking similarities to the author's own final chapter. The manuscript is contained in three computer disks found in Izzi's pants pockets, the Chicago Tribune reported. His body was found Dec. 7, hanging from the 14th floor window of his office. The manuscript tells of a Chicago mystery writer attacked in his downtown office by members of a secret Indiana militia who loop a noose around his neck, tie the rope to a metal desk and throw him from a 14th floor window, the Tribune said. In both fact and fiction, the victim was wearing a bulletproof vest, carried a set of brass knuckles and a disabling chemical spray, and had a .38-caliber revolver in his office. The police believe Izzi killed himself.

□

The bluesman **Frank (Son) Seals** is recovering from a gunshot wound to his jaw that the police say was inflicted by his wife during a domestic argument.

□

A federal judge in New York has thrown out a jury verdict that held **Elizabeth Taylor** liable for more than $600,000 in damages to the actress **Cicely Tyson** in a contract dispute. **Judge John Martin** ruled that Taylor was not personally liable for any breach in the contract between Tyson and a production company affiliated with Taylor that had hired Tyson to act in a 1993 production of "The Corn Is Green." After critics panned the performance, Tyson was fired for taking a night off to attend a Washington tribute to her then-husband, **Miles Davis**.

Agence France-Presse
Queen Margrethe II of Denmark, in a typical pose.

□

Frank Sinatra is out of the hospital in Los Angeles after an overnight stay and is "fine," according to a spokeswoman.

□

Brown University's president, **Vartan Gregorian**, has resigned to take the presidency of the Carnegie Corp.

□

The Microsoft mogul **Bill Gates** has an unusual deal with his wife, **Melinda**. He gets to spend one long weekend every spring with an old flame, **Ann Winblad**, Time magazine reports. Gates broke up with Winblad in 1987, but they have remained friends. Gates says the two spend their weekend visits at her North Carolina beach cottage walking along the beach and playing mini-golf.

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Italy ●	172-1011
Netherlands ●	06-022-9111
Russia ●▲(Moscow)▼	755-5042
Spain ◇	900-99-00-11
Sweden	020-795-611
Switzerland ●	0800-89-0011
United Kingdom ▲	0800-89-0011
MIDDLE EAST	
Egypt ●(Cairo)▼	510-0200
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